

## Time to shift from being global city to a unique regional one?

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OVER the last 50 years, Singapore has built a thriving economy by positioning itself as a global city producing goods for the rest of the world, especially large developed economies thousands of kilometres away.

But as the Republic grapples with technological disruptions and competition from other aspiring global cities, it may be time to focus on serving markets closer to home, suggested Professor Linda Lim of the University of Michigan.

At the Institute of Policy Studies' Singapore Perspectives conference yesterday, Prof Lim noted that the trend of globalisation is slowing as companies increasingly favour automation over "offshoring" work overseas.

Singapore has always had a "global focus but that's not where the future is", she said during a panel discussion about the sustainability of the nation's "global city" economic model. A more promising market is the fast-growing middle-class demographic in South-east Asia, which is gradually becoming the new centre of gravity for the world economy.

Instead of being just one of many global cities in the huge supply chains of large foreign firms, Singapore should shift to becoming a one-of-a-kind regional city providing services for its neighbours, she added.

Urging Singaporeans to focus on the unique comparative advantage provided by their country's strategic geographical location, she took stock of the trade-offs between adopting a global focus and a regional one.

For instance, students learning French or Japanese could use their mental capacity to pick up Thai or Bahasa Indonesia instead, thereby equipping themselves with the language skills to work in the region.

Another way to help ensure the continuing success of Singapore's economy is to enhance the nation's "brand premium": the superior value that many foreigners see in products, services or employees that hail from Singapore.

This in turn means fortifying the factors that give rise to this premium, such as the country's openness as well as its robust governance, infrastructure and institutions, said Professor Tan Kong Yam of the Nanyang Technological University during the same panel discussion.

The former government chief economist, who is now co-director of the Lee Kuan Yew School of Public Policy's Asia Competitiveness Institute, said that in addition to "strengthening the mothership", the Government needs to improve the welfare of those who are hurt most by the

effects of globalisation. These include the poorest 30 per cent of households and some aspiring middle-class Singaporeans, he said.