

3 factors behind S'pore's success as business hub

Integrated S-E Asia, rules-based trade system, domestic capabilities vital: Chan Chun Sing

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Asean can be a neutral place for economies beyond this region to do business with each other, Minister for Trade and Industry Chan Chun Sing said yesterday.

Not only is the grouping open to investors outside this region, be they from China, the United States or Europe, he added, these parties' involvement will not be a "zero-sum game".

Asean's markets have a combined population size of 600 million, meaning it is big enough to accommodate everyone, Mr Chan told the Singapore International Chamber of Commerce Awards gala dinner at Marina Bay Sands.

The minister raised this point as he highlighted three key factors behind Singapore's continued success as a global business hub.

A successful and integrated South-east Asia is one factor, he said.

"The competition that we face is not within Asean, but between Asean and other parts of the

world," said Mr Chan. "The more integrated the Asean region is, the more attractive it will be for others to invest here."

He noted that during Singapore's chairmanship of the regional group-

ing last year, it pushed to strengthen the integration of economies and lower cross-border barriers to business, among other initiatives.

Looking ahead, he said, the Republic will continue working towards allowing Asean partners that are at different stages of development to leverage one another's strengths.

Another key factor to Singapore's success, said Mr Chan, is its domestic capabilities, and one important area is a collaborative business culture.

"Businesses in the same sector tend to see each other as rivals and competitors, rather than partners in collaboration," he said, noting that even as the Government plays its role to connect businesses, it cannot

force companies to work together.

"Collaboration must first and foremost make commercial sense, and we encourage companies to actively seek out areas of synergies and explore different modes of collaboration," he added.

"Market development is neither easy nor cheap... This is why collaboration... can reap benefits. Besides the sharing, companies working together can also leverage and reinforce the Singapore brand."

One positive example has been in product development and research, he said, citing the Agency for Science, Technology and Research's (A*Star) model factory initiative. This sees established manufacturing companies coming together with A*Star to co-develop Industry 4.0 technologies.

Apart from a collaborative business culture, other points Mr Chan raised included a stable and pro-

gressive government, regulations that keep pace with innovations, and secure supply and distribution chains.

The third key factor for Singapore's success as a business hub, he said, is an open and connected rules-based trading system.

"Singapore's small domestic market can be a constraint for investors and external economic partners," he said.

"Without connectivity to the rest of the world, no one will trade with us, trade through us or invest here to create jobs for our people."

This is why, he said, Singapore will support the World Trade Organisation's work in refreshing existing rules for trade and investment, and work with like-minded partners to set up new rules for the digital economy.

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