

**Report to the Economic Review Committee by the  
Singapore Overseas Network (SON) in Hong Kong**

**October 2002**

## Acknowledgements

In preparing its report, the Singapore Overseas Network in Hong Kong benefited from the inputs, comments and insights of many groups and individuals.

- *ERC Subcommittee on Enhancing Human Capital*

We are grateful to Minister of State Dr Ng Eng Hen whose Subcommittee helped bring the Singapore Overseas Network to life and supported the ongoing operations of the Singapore Overseas Network in Hong Kong. We are also grateful to Colm McCarthy as well as Cheah Kean Huat for taking time off to exchange ideas with us.

- *Singapore Overseas Network in San Francisco and Boston*

We also benefited from the inputs and views of Dr Richard Lim as well as other members of the US group, who patiently spent time exchanging ideas with us.

- *Public Sector Resource Persons*

We also wish to thank MAS, IE Singapore, Singapore 21 Facilitation Committee, Entrepreneurship Focus Group, Financial Services Working Group and the Internationalisation Working Group for listening to our ideas and giving us feedback on some of our early proposals.

- *Secretariat Support*

The ceaseless support from the Secretariat, Celestia Kee in Contact Singapore (Hong Kong) and Ong Ai Ming at Contact Singapore (HQ) as well as staff at Singapore Mission (Hong Kong) also contributed to the success of this effort.

Last but not least, we are grateful to DPM Lee Hsien Loong and members of the ERC for giving us this opportunity to study and listen to our recommendations on issues that we feel are important to Singapore's future.

## Summary of Recommendations by SON Hong Kong

No.	Recommendation
	<b>Globalising Singapore-based Companies Group</b>
1	<p>To set up a Network Resource Centre (NRC), funded by Singapore government, in Hong Kong to bring together the pool of capital available for foreign investment, enhance and disseminate information and business deal flows and maximise the available pool of human resources.</p>
	<b>Human Capital Group</b>
2	<p>To enhance the financial rewards, both at the corporate and personal level, by lowering taxes to a globally competitive level in the medium to long- term.</p> <ul style="list-style-type: none"> <li>• Allow individuals and corporations to retain larger financial rewards through lower corporate and personal taxes.</li> <li>• Taxes on overseas sourced income should be removed – the risk of round tripping should be minimal and if necessary, large financial penalties could be introduced for violation</li> </ul>
3	<p>To structurally address the relatively high cost of living to make Singapore one of the lowest cost centres among peer group cities, especially for housing and car ownership.</p> <ul style="list-style-type: none"> <li>• Recent decisions to allow short-term leases on state land should be further encouraged.</li> <li>• Allow special rental housing developments on short-term leases to cater to fresh non-Singaporean graduates who wish to try out living and working in Singapore.</li> <li>• Adopt a medium-term strategy of reduction in car ownership costs accompanied by a corresponding increase in car usage costs.</li> <li>• Use financial and regulatory changes to facilitate the introduction of large scale “ride and park” schemes all over Singapore. While such schemes have been under trial for some time now, they tend to be limited in coverage and numbers.</li> </ul>
4	<p>To set-up a Committee to Globalise Singaporeans or “COGS” to co-ordinate efforts to help Singaporeans acquire “global skills” i.e. to globalise Singaporeans on a national and centralised manner. Possible schemes of under co-ordination of COGS could include:</p> <ul style="list-style-type: none"> <li>• Public education on the benefits of overseas studies, training or employment.</li> <li>• Facilitating student exchange programme at various levels, from upper primary to tertiary.</li> </ul>

No.	Recommendation
	<ul style="list-style-type: none"> <li>• Enabling short-term work overseas for exposure or training.</li> <li>• Setting-up a financing scheme to facilitate overseas studies, training or employment.</li> <li>• Creating a database of overseas employment opportunities and information on relocation, regulatory requirements, cultural and other social issues to help Singaporeans minimise the difficulties of an overseas move.</li> </ul>
5	To appoint and task a Minister-Without-Portfolio from the Prime Minister's Office (PMO) to promote S21 values locally and internationally and to be the future sponsor of SONs around the globe, in particular SON Hong Kong.
	<b>Entrepreneurship &amp; Innovation Group</b>
6	To build a database and network to track Mainland Chinese Talent (MCT), innovation, enterprise formation or "TIES-db".
7	To operate a network to create an Inno-preneurship Resource Panel (IRP) to provide strategic and start-up advice to Singapore corporations venturing into China and to oversee the Inno-preneurship Mentoring Program (IMP).
8	<p>To transform value arising from the work of IRP into new strategic business initiatives, led by Singapore-linked business interests to develop and commercialise innovation and technology into commercially viable businesses. Following channels may be used:</p> <ul style="list-style-type: none"> <li>• Encouraging talent to relocate to Singapore and become PR/Citizens</li> <li>• Supporting the venture capital industry in Singapore with greater and better investment opportunities and choices for early stage start-up enterprises.</li> <li>• Offering a steady feed of 'mature start-ups' for acquisition and investments by Singapore based businesses, both GLCs and private sector companies.</li> <li>• Be one of the main private-public sector led initiative based outside Singapore to attract talent, innovations and start-ups for the benefit of Singapore. Hong Kong, San Francisco and Boston etc. are ideal cities.</li> </ul>

No.	Recommendation
	<b>New Services Group</b>
9	To commercialise and package for export a selected part of Singapore's kindergarten, primary and secondary education system and related manpower and services and market the same as a business. This business will first consolidate in Hong Kong (where there is already an established Singapore International School – SIS – providing primary and kindergarten education for 11 years) before expanding into selected cities of China at a later stage.
	<b>Lifestyle - The Singapore Buzz Group</b>
10	To bring back the boat businesses, ferries and small crafts to enliven the waters.
11	To encourage budding musicians, artists and entrepreneurs to pursue their instincts.
12	To provide grassroots' support through local community centres and clubs in the form of funding for local groups, resident theatres and artist-in-residence programmes. The 'bottom-up' approach would require a re-examination of the education system. Giving theatre groups a home in community centres will help in bringing culture and art to the man on the street.
13	To concentrate activities in specific areas or cluster them together to create a certain critical mass thus resulting in buzz. For example, Geylang can become a Mongkok, Jalan Besar can become a Wan Chai and Albert Complex/Sim Lim Sq, an Akihabara.
14	To establish a calendar of world famous international events which would act as catalysts for attendance. This will put Singapore on the international map and add to the variety of activities available for public participation.
15	To bring back the flea/antique markets like Sungei Road. While stalls could be licensed, the stark re-creation of such stalls should be avoided; we should only facilitate and not re-create the spontaneous development of such activities. Other activities to encourage entrepreneurship could be through 'car boot sales' organised on empty JTC land.
16	To allow people to hawk their wares to creatively either with or without the payment of a small licence fee on a vacant piece of land.
17	To establish close collaboration of several government departments such as Ministry of Environment, MTI, URA and MITA in formulating sustainable land planning policies which would allow an automatic re-generation and evolution of Singapore's lifestyle through the extrapolation of a creative activity hub and vibrant street life.

## Contents

Globalising Singapore-Based Companies	1
Human Capital	4
Entrepreneurship and Innovation	9
New Services	14
Lifestyle – The Singapore Buzz	17
Members and Participation	22

## **Globalising Singapore-based Companies**

### Overview

1. To set up a Network Resource Centre (NRC) in Hong Kong to bring together the pool of capital available for foreign investment, enhance and disseminate information and business deal flows and maximise the available pool of human resources.
2. The NRC would serve the following purposes:
  - Serve as a forum to for Singapore companies to co-invest in, explore business opportunities in, or share information within the greater China area.
  - Act as clearing house for investment opportunities, business deals, talent & information.
  - Be a platform for GLCs and SMEs to connect with each other in the Greater China area where there is common interest.
  - Be an acculturation and training centre for Mainland culture and way of business.
3. The NRC would be a government-run entity and complement Network China in Singapore.

### Opportunity

4. With increasing globalisation, it is imperative that Singaporean businesses increase their global market share as early as possible. In the case of China, the large volume of FDI inflow means that the window of lucrative investment opportunities for Singaporean businesses is narrowing. Singaporean businesses thus need to upgrade to stay relevant as the Chinese market becomes more sophisticated.
5. Availability to capital, information and talent is key to success in China. Given Singapore's small size and limited pool of investors, it is vital that our resources are pooled in a focused and synergised manner to optimise their returns.
6. The pace of internationalisation of Singapore depends largely on how fast this pool of resources can be increased and utilised. In the short term, better and quicker results can be obtained by encouraging Singapore businesses to work in collaboration as a conglomerate rather than in isolation.

### Challenge

7. The key challenges involved in the move to doing business on a group basis are:
  - Changing the mindset of Singapore companies to share proprietary knowledge and collaborate as a community.
  - Persuading large Singapore companies, including GLCs, to designate resources to work with SMEs on a commercial basis.
  - Helping Singaporean SMEs to develop capabilities to succeed in overseas markets.
8. The NRC is expected to complement the current activities of the Singapore Chamber of Commerce (SCC) in Hong Kong and the informal business lunch groups that are currently in existence. Their objectives would also differ as the NRC is targeted at facilitating the way that companies can do business in China while the SCC and business lunch groups serve as social networking platforms for businessmen in Hong Kong.

### Recommendation: Establish a Network Resource Centre

9. It is proposed that a NRC, funded by Singapore government, be established.
10. The NRC should be established along the following design principles:
  - There must be participation by the Singapore government and key members of the Singapore business community in the Greater China area.
  - The organisation should consist of a full-time secretariat and a committee consisting of the Consulate General (CG) of Hong Kong and, say 10 members of the Singapore business community. It can work in collaboration with Network China in Singapore.
  - An office, preferably located near the CG's office (area 2,500 square feet), with a secretariat consisting of a senior officer and secretary may require an initial set-up capital budget of HKD2m and an annual operating budget of HKD3m, excluding the cost of software and out-sourced training materials.
  - A library should be set up to provide practical information to visiting businessmen from Singapore or even to those based in the Greater China area.

- The NRC should have a register of potential employers and employees interested to be matched with. The NRC will also maintain information on potential deal partners looking for a match.

11. The NRC will provide the following services:

- Set up a website that allows users access to its information services through the Internet. The NRC will build a hyperlink to tie in with other Government agencies such as IE Singapore.
- Establish a database on Singapore businesses operating in the area.
- Provide office facilities and showroom space for Singapore businesses or businessmen at a modest fee.
- Organise networking activities, which must be deliberate and designed to deliver the objectives, involving visiting dignitaries from Singapore whenever the opportunities arise.
- Co-ordinate induction programmes to prepare Singapore businessmen and employees of SMEs and GLCs on working and doing business in China.
- The NRC should also work with GLCs and other large Singapore companies to bring about an interest for them to work with SMEs or co-invest with them by assigning a percentage of their resources to do so on a commercial basis.

12. It is proposed that the NRC concept be piloted for Greater China due to its critical mass, i.e. it offers a better chance for the NRC concept to be successfully developed. Hong Kong is an appropriate location for the NRC to be set up because it (i) has the largest pool of Singaporean businesses outside of Singapore, (ii) possesses the most China business experience and (iii) is a gateway to China.

13. NRC Hong Kong can serve as a model for NRCs to be established in other locations subsequently.

## Human Capital

### Overview

1. The two key aspects on enhancing and growing the Singapore Talent pool lie in (i) attracting global talent and (ii) globalising Singaporeans.
2. Singapore already has in place a wide range of initiatives and a well-established infrastructure to attract global talent. These were built up over many years and via a focused and comprehensive manner. However, Singapore also has its limitations. There are uncontrollable factors like a small economy, hot and humid weather and geographical, as we are farther away from key Asian cities, as compared to Hong Kong. From a Hong Kong perspective, it was felt that the added determinant of importance to attracting global talents is to enhance the financial rewards, both at the corporate and personal level, by lowering taxes to a globally competitive level in the medium to long- term. In addition, the relatively high cost of living should be structurally addressed to make Singapore one of the lowest cost centres among peer group cities.
3. A second dimension of Singapore's talent pool is the need for more Singaporeans to acquire global skills. As there is interest by quite a number of agencies and entities within Singapore to be involved, it was felt that a Committee for Globalising Singaporeans or "COGS" should be set up to co-ordinate such efforts at a national level. This broadly complements the earlier "CATS II" initiative on attracting talent to Singapore.
4. Thirdly, as progressive Singaporeans become increasingly globalised, a proportion could feel marginalised. To counter this potentially destructive divide, there is a need for the active promotion of S21 values. This exercise should be extended to Overseas Singaporeans (OS) too. They will benefit from S21 values as it cultivates "patriotraction" or "patriotic attraction" to Singapore. Regardless of the degree of success in drawing OS back to Singapore, patriotraction will serve as a vital talent glue to help all Singaporeans serve the broader interest of Singapore. Since S21 values are critical to Singapore's future nationhood, a Minister-Without-Portfolio from the Prime Minister's Office (PMO) should be tasked with this vital national and international role.

### Recommendation 1: Further Enhance Fiscal Regime

5. Allow individuals and corporations to retain larger financial rewards through lower corporate and personal taxes. The recent undertaking to cut both personal and corporate taxes to 20% within 3 years is a major move towards helping to attract talent and enterprises to Singapore. SON Hong Kong's Human Capital Group believes the following may be needed in the longer term.

6. Lower corporate and personal taxes to below Hong Kong's levels (effective tax rates for corporations are within 10% to 16% range, usually around 12%).
7. With low corporate tax rates, taxes on overseas sourced income should be removed – the risk of round tripping should be minimal and if necessary, large financial penalties could be introduced for violation.
8. Further alleviate cost of living concerns, especially for housing and car ownership

### **Assessment**

9. Compared to some other Asian cities, Singapore appears less attractive in the aspect of financially rewarding careers or business opportunities, which if available, tend to be limited. The twin attraction of lower personal and corporate taxes is likely to substantially influence talent to consider Singapore and Singaporean companies more favourably for careers as well as a place to establish start-ups. A high level of personal financial gain is a powerful talent magnet to attract creative, entrepreneurial talent and to serve as an enduring talent glue for those who are drawn to Singapore.
10. Singapore's well developed physical and increasingly social and cultural infrastructure served as sufficient competitive advantages in the past. Going forward, the paradigm shifts lie in the continued attraction of Hong Kong, and growing interest in emerging new cities like Shenzhen, Shanghai, Beijing and others would naturally divert a significant pool of talent away from Singapore. As Singapore is unlikely to be able to offer comparable attraction and scale of opportunities in economic and geographic terms, financial motivations would remain as the key determinant in attracting both talent and investments/businesses.
11. While the general level of the cost of living in Singapore may be relatively low, the cost of housing and car ownership remain key areas which will benefit from further reductions in costs. It is well recognised that Singapore has one of the world's best public housing schemes and transportation infrastructure. However, the pool of global talent would benchmark housing and car ownership costs on a global scale. The relatively higher costs of such ownership in Singapore becomes all stark when compared to other (remote) cities which may offer even better and cheaper air transportation and high-speed communication infrastructure as well as a high quality of life.

12. Recent decisions to allow short-term leases on state land should be further encouraged. Consideration could be given to allow special rental housing developments on short-term leases to cater to fresh non-Singaporean graduates who wish to try out living and working in Singapore. To ensure that this does not become a long-term subsidy to non-Singaporeans, each arrivee could be limited to lease a maximum housing period of 3 years under the scheme. The economic and political justification for such a scheme could focus on the importance and special contributions of these non-Singaporeans to Singapore. Hence, the academic and choice of career ambitions criterion have to be stringent and transparent.
  
13. The wish for lower car ownership cost may be countered by the view that cheap and efficient public transportation exist in Singapore. However, this is overly simplistic. Those who qualify as “global creative and entrepreneurial talent” would typically expect a certain level of personal mobility at an acceptable cost in many cities, and without the annoyance of extreme heat and humidity. On this same reasoning, one would not be able to envisage modern Singapore without air-conditioning in our cars, taxis, buses, trains and buildings. Hence, the ability to afford personal transportation, as in car ownership, may be deemed as an essential feature of a good place to live in. Recent government initiatives to lower car ownership cost and move the cost towards car usage is strongly positive. The government could consider announcing a medium-term strategy of reduction in car ownership costs accompanied by a corresponding increase in car usage costs. This could help Singaporeans re-prioritise their personal expenditure with regards to car ownership. At the same time, to substantially reduce private car ownership by marginal users, the government could consider introducing financial and regulatory changes to facilitate the introduction of large scale “ride and park” schemes all over Singapore. While such schemes have been under trial for some time now, they tend to be limited in coverage and numbers. Hence the full benefits and a high level of acceptance among a large pool of users may not be evident.

### **Impact and Implication of Non-Implementation**

14. Singapore will face difficulties in attracting talent in increasing numbers, in the face of what may be perceived as more attractive Asian cities such as Hong Kong, Shanghai, Beijing and Shenzhen.

### **Time Frame**

15. It is recommended that taxes should be lowered progressively and as soon as feasible.
  
16. In parallel, foreign-sourced income tax should be removed once domestic corporate tax rates are sufficiently low, say at 15%.

17. Efforts to reduce the cost of living, especially for housing and car ownership costs should be planned and made known as soon as they are feasible.

Recommendation 2: Globalise Singaporeans

18. The second recommendation is premised on the need to help Singaporeans acquire “global skills” i.e. to globalise Singaporeans. SON Hong Kong’s Human Capital Group felt that since a large number of government agencies, educational establishments and private sector entities are likely to be involved, a Committee to Globalise Singaporeans or “COGS” should be set up to co-ordinate efforts on a national and centralised manner. COGS is similar to CATS II, which was set up to attract talent.
19. The following are some possible schemes under the co-ordination of COGS :
- Public education on the benefits of overseas studies, training or employment.
  - Facilitating student exchange programme at various levels, from upper primary to tertiary.
  - Enabling short-term work overseas for exposure or training.
  - Setting-up a financing scheme to facilitate overseas studies, training or employment.
  - Creating a database of overseas employment opportunities and information on relocation, regulatory requirements, cultural and other social issues to help Singaporeans minimise the difficulties of an overseas move.

Recommendation 3: Appoint a Minister-Without-Portfolio to Oversee Overseas Singaporean Issues

20. To promote S21 values nationally and internationally by appointing a Minister-Without-Portfolio (PMO).
21. As progressive Singaporeans become increasingly globalised, with some feeling marginalised, there is a need to actively promote S21 values to counter this potentially destructive divide. As S21 values are critical to Singapore’s future nationhood, the Minister-Without-Portfolio, PMO, should be tasked with this vital role. While it is recognised that there is already a S21 Facilitation Committee, headed by Ag Minister (MITA) David Lim, looking at the realisation of the S21 vision, the Group still recommends that the PMO, a full-fledged agency assume the responsibility for national building.

22. In a 2002 survey conducted by AC Nielsen among Singaporeans, Chinese and Indian diaspora working in New York City, Boston, Chicago, San Francisco, London, Frankfurt, Shanghai and Hong Kong, it was found that Singaporeans have the least desire to return to their home country. One of the reasons cited was a lack of a sense of belonging to Singapore. Clearly this is an unhealthy trend which, if left unchecked, may have serious consequences for Singapore's well-being.
23. By appointing the Minister-Without-Portfolio, PMO, to promote S21 values nationally and internationally, Singapore would benefit by strengthening the "Talent Glue" that is derived from an enduring "sense of belonging" to Singapore. It cultivates "patriotraction" or patriotic attraction to Singapore. Patriotraction is a critical talent glue needed as Singaporeans becomes more globalised and are exposed to a larger choice set of opportunities in their selection of a place to live and work. While Singaporeans may work overseas, their hearts and roots should remain in Singapore. In addition, non-Singaporeans in Singapore may be won over by S21 values to switch from transience to permanency.
24. As members of SON Hong Kong would attest to, the fervour and passion for Singapore which rose to the fore from the SON Hong Kong deliberation process was quite unexpected. It was heart-warming. SON Hong Kong strongly recommends that the Minister-Without-Portfolio (PMO) be the future sponsor of SONs around the globe, in particular SON Hong Kong. This would ensure that the progressive lot of overseas Singaporeans who have found SON Hong Kong to be a useful platform can continue to have access to Singapore government officials, especially those visiting Hong Kong to hear official views, be updated on Singaporean developments and maintain a vital channel for discussion. It is the intention of SON Hong Kong to refine its membership criteria and enshrine upon itself certain organisational philosophies to ensure that it will remain an apolitical communication channel and to, over the long-term, serve as a talent magnet for overseas Singaporeans and non-Singaporeans to Singapore's shores.

## **Entrepreneurship and Innovation**

### Overview

1. In a journey of growth and prosperity, Singapore has arrived at a critical junction. We must now revisit the roadmap that had once guided and served us so well. We believe innovation and entrepreneurship are the “engines” that will breathe life into our economy despite the challenges of a “turbo-charged” China that is fast attracting the world’s investments.

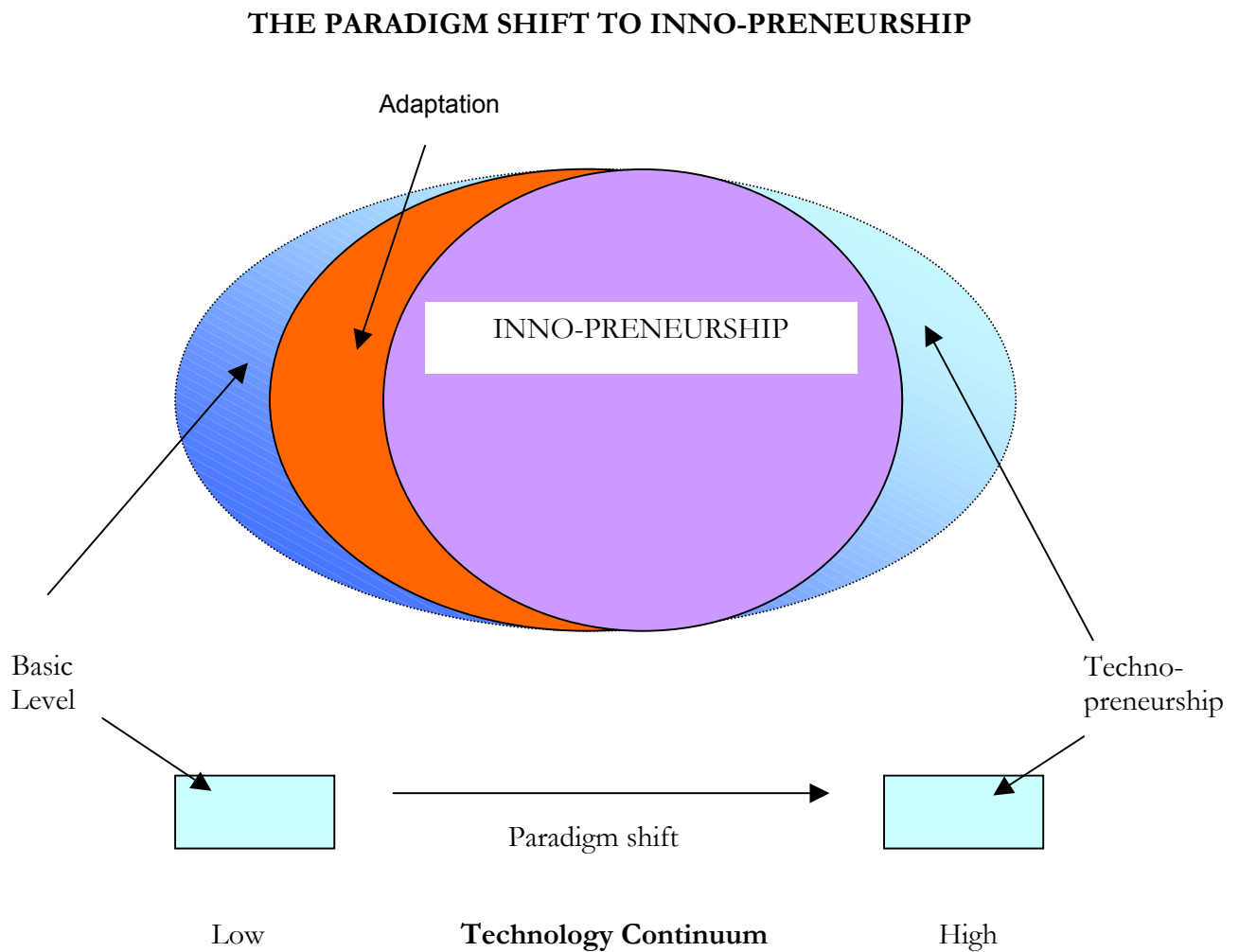
### Challenge

2. The Singapore Government’s economic success and dominant socio-economic roles have inadvertently resulted in an over-reliance on the government to make key decisions affecting many aspects of work and life in Singapore. The evidence of low entrepreneurial activity is documented in two years of study carried out by the Global Entrepreneurship Monitor (GEM) project.
3. According to the 2001 GEM Report, Singapore has one of the lowest rates of Total Entrepreneurship Activity (TEA) among the GEM 2001 countries. The acceleration to high-technology outpaced many entrepreneurs who fortunately or unfortunately missed the high-tech wave. Years of economic prosperity have also diminished the need and desire to seek opportunities outside Singapore, thus grooming a generation of people and youth who have little interest in the world beyond the island of Singapore. There is thus the danger of Singapore becoming less able to partake in a new economic world order dominated by a China powerhouse.
4. The growth and development of China present an obvious opportunity of a large market for services and products. More importantly, it is also a source of a large pool of talent and innovation.

### Opportunity

5. For Singapore, with all its inherent limitations, the recommended response is a new paradigm of ‘Inno-preneurship’ that captures all aspects of innovation, adaptation and commercialisation of products, service processes, and managerial competencies. It transcends the narrowly defined techno-preneurship by traversing the continuum from a level of basic applications of technology to high technology enterprises. The shift is towards mobilising a greater number of people to re-engineer the skills and processes required to become successful high technology and entrepreneurial enterprises. It embraces every and any person who is able to “do common things in new and uncommonly effective ways”.

6. It is proposed that “inno-preneurship” will be the key to help Singapore exploit and benefit from China’s technology and innovation capabilities. It will ultimately enable us to thrive alongside China’s growth. This can be done with the help of 12,000 Singaporeans who have made Hong Kong their home and have, through the school of hard knocks, acquired skills and experience in doing business in the Greater China region.
7. The schematic form of the paradigm shift to “inno-preneurship” is as follows:



8. Singaporean entrepreneurs with operations in China have the best of both worlds. As inno-preneurs, they use Hong Kong as a centre for integration that also provides the overall package for logistics, finance, marketing, and management. Close to the Pearl River Delta and major commercial PRC cities such as Shanghai, they are part of the world-wide “supply chain” to the West. With the opening of the Chinese market following China’s accession into the WTO, these entrepreneurs are well positioned to benefit from the “demand chain” for goods and services produced locally for domestic consumption. This daily immersion in doing business in China holds them in good stead despite competition from Hong Kong businesses whose pervasive influence in the PRC is very clear to all newcomers.

Recommendation: A 3-Step Plan to Create and Sustain Inno-preneurship

9. Singapore’s Inno-preneurship initiatives can be achieved through a Hong Kong entity to engage successful inno-preneurs to engender the same success for the future Singapore. A 3-step action plan, in the form of a BOT (Build-Operate-Transform) model is recommended:
- Build a database and network to track Mainland Chinese Talent (MCT), innovation, enterprise formation or “TIES-db”.
  - Operate a network to create an Inno-preneurship Resource Panel (IRP) to provide strategic and start-up advice to Singapore corporations venturing into China and to oversee the Inno-preneurship Mentoring Program (IMP).
  - Transform value arising from the work of IRP into new strategic business initiatives, led by Singapore-linked business interests to develop and commercialise innovation and technology into commercially viable businesses.

**B – BUILD DATABASE**

10. The key differentiating factor is that this database is dedicated to tracking Talent, Innovations and Enterprise formation across the Greater China region. The objectives and benefits from this TIES-db are that it:
- Is a disciplined, focused approach to locating, tracking and interacting with MCT.
  - Is a useful source and feeder of MCT to Singapore-based entities like MOM/CS, GLCs and private businesses.

- Serves as an important register of new innovation and technological enterprise start-ups, to benefit the Singapore Venture Capital Industry and established Singapore-based businesses with interests to invest in higher risk start-ups.
  - Fulfils a critical integrator role to synergistically create a knowledge database. The aggregation of discoveries and innovation would benefit Singapore Inc. tremendously.
11. The basic construct of the TIES-db is that it is an Internet-based, Hong Kong located and managed database.

### **O – OPERATE NETWORK**

12. An Inno-preneurship Resource Panel (IRP) will be formed to advise talent and start-ups as well as provide a wide and deep pool of expertise available to Singapore government agencies, GLCs, venture capitalists, private sector businesses, R & D set-ups and universities.
13. Membership in the IRP will be open to professionals and entrepreneurs from a large and varied group, and must include non-Singaporeans.
14. Central to the function and objectives of the IRP is the formation of the Inno-preneurship Mentoring Programme (IMP) which will draw expertise and members from the IRP to mentor young talent in schools, junior colleges, universities, and young professionals who are talented and keen to venture into innovative and technological entrepreneurship. The IMP will mentor young talent and their start-up enterprises in providing guidance on several key areas: (i) R & D's processes (ii) commercialisation (iii) legal and (iv) finance issues. The roles, functions and success of the IMP will be critical to the ability of TIES-db to sustain the strong momentum needed to grow its membership, keep it current and be at the leading edge of innovative and technological start-ups.

### **T – TRANSFORM VALUE**

15. The last and essential element is to transform the value embedded in the TIES-db and the work of the IRP and IMP. This may be achieved via a variety of channels:
- Encouraging talent to relocate to Singapore and become PR/Citizens.
  - Supporting the venture capital industry in Singapore with greater and better investment opportunities and choices for early stage start-up enterprises.

- Offering a steady feed of ‘mature start-ups’ for acquisition and investments by Singapore based businesses, both GLCs and private sector companies.
- Be one of the main private-public sector led initiative based outside Singapore to attract talent, innovations and start-ups for the benefit of Singapore. Hong Kong, San Francisco and Boston etc. are ideal cities.

## **New Services**

### Overview

1. To commercialise and package for export a selected part of Singapore's kindergarten, primary and secondary education system and related manpower and services and market the same as a business. This business will first consolidate in Hong Kong (where there is already an established Singapore International School - SIS - providing primary and kindergarten education for 11 years) before expanding into selected cities of China at a later stage.
2. Hong Kong will act as the start up platform for further venture into targeted cities in China. The promotion of quality Singapore educational services overseas complements the government's effort to transform Singapore into an education hub. It also serves to source and attract talent into Singapore, support Singaporeans working overseas with school-going children, and help extend the culture and goodwill of Singapore in a positive way.

### Challenge

3. Singapore must cultivate and develop her own brand of services for export to attain long-term growth, international recognition and goodwill. The strengths of the Singapore schools are bilingualism (Mandarin and English), Mathematics and Science. Another well-recognised feature of the Singapore educational system is that it advocates for and produces students with high ethical standards, discipline and nationalism. The Singapore education system is also seen to have the twin attributes of being modern and international while keeping Asian heritage and virtues in place. These attributes are much sought after by Asian parents.
4. One criticism is that students in Singapore in general are examination- oriented and that there are few opportunities for them to go on overseas student exchange programmes. In addition, Singaporean students cannot enrol themselves in international schools in Singapore except under limited circumstances. With the establishment of Singapore-affiliated schools overseas in nearby cities such as Hong Kong and other parts of PRC, Singaporean students in Singapore would have more opportunities to go on exchange programmes with these Singapore-affiliated Schools overseas with relative ease and at affordable costs.
5. For Singaporean managers and investors who have yet to venture out of Singapore, one of their main concerns is the education of their children should the family relocate overseas. For Singaporean parents who are already overseas and have children growing up overseas, one of their biggest problems is the need and way to maintain the bond and education of their children with Singapore.

6. In the case of Hong Kong, many Singaporean children benefit from the curriculum offered by SIS. However, some students have to leave SIS as early as Primary 3, 4 or 5 to join other international schools in order to secure a place for secondary schooling well in advance, thereby suffering the loss of much of the Singapore formal education and culture at a young age. If this is not addressed, Singapore will be losing her future international managers when these children grow up as their links and ties to Singapore will be much weakened over time.

#### Rationale

7. With their children's educational needs (short and long term) resolved, more Singaporeans will be willing to relocate outside Singapore in Hong Kong and PRC on a longer term basis. Given the rapid rise of China as a place for investment and business, it is in Singapore's interest for her people to gain valuable work experience and contacts in PRC. The establishment of Singapore schools out of Singapore would help to alleviate Singaporean parents' concern over their children's education. Subsequently, overseas Singaporean communities in these places can take root and be further developed.
8. The setting up of this business will sow the seeds for future business and networking opportunities as well as for attracting Hong Kong, PRC and other national students to further their study in Singapore universities or tertiary institutions and/or work for Singapore companies within or outside Singapore in the years to come.
9. The strategic move to set up Singapore schools beyond our shores would also serve to create a multiplier effect as other related businesses will also enjoy a "tag along" benefit. For instance, publishers of textbooks, educational software, IT products, Singaporean arts and crafts would now have an enlarged market to look forward to.
10. The selective internationalisation of our educational system firstly in Hong Kong and then the PRC will also entail an expansion of career development opportunities for Singapore teachers and school administrators. The revenue and talent base of our educational system will be much larger for the benefit of Singapore and her external wing as a whole.
11. The education system is also an effective way to extend the culture and goodwill of Singapore to host cities and countries. This will also cultivate and identify "friends" of Singapore for overseas trade, investment and networking purposes. Using education with modern and international appeal to engage Hong Kong and the PRC would be easily acceptable and carry long-term positive effects.

Time Frame

12. There is a strong demand in Hong Kong by both Singaporean and local parents for a secondary school to be established with the best of Singapore educational support and features. Currently, the Hong Kong government is giving much support for quality education by way of offering nominal land grant and subsidising building costs; many sponsors are already competing for better sites and support and advertising for student recruitment before policy changes and before competition becomes too intense.
  
13. As 'through train' from primary to secondary is now the education norm, any deferment in the establishment of a secondary school in Hong Kong (which will take some 4 to 5 years from start to finish) may result in more pupils leaving SIS at upper primary levels, thereby putting the existence of SIS as a meaningful primary school at risk.

## Lifestyle – The Singapore Buzz

### Overview

1. “Singapore is a nice place ... .. But it’s boring” is an oft-heard comment. The root of this comment stems from the feel that Singapore seems to lack a certain “buzz”, that indefinable feeling of cultural and entrepreneurial activity, creativity and post-modernist chaos found in other world cities like London, New York and even Hong Kong. Yet, we cannot and should not seek to emulate London or New York. Singapore is in South Asia. We believe that the Buzz in Singapore’s Lifestyle should be predicated on its centrist role as an Asian hub. Our perspectives come from our collective Hong Kong experience.
2. Recent studies and papers prepared by government and NGOs in the UK and the USA clearly recognise the link between on the one hand, cultural entrepreneurship and the creative/cultural industries, and on the other hand, economic productivity of a nation. The March 2002 paper “Investing in Singapore’s Cultural Capital” prepared by MITA puts forward certain proposals for the development of cultural capital as an imperative step to the next stage of Singapore’s development – that of building a creative economy. The key components of the strategies discussed in the March 2002 paper for a “Creative and Connected Singapore” are focused on (a) the economic development of the creative/arts sector and (b) developing the creativity of Singaporeans through arts initiatives and programmes. To complement this approach, we believe that creating a Lifestyle Buzz, the Singapore way, would be necessary to foster cultural capital and its sustainable growth.

### Challenges

3. From our perspective, five factors contribute to ‘Lifestyle Buzz’. They are the vibrancy of a society, the spirit of a nation, the depth and variety of activities, the mindset of its people and lastly, the environment (both natural and man-made).
4. The vibrancy of society. The orderliness of Singapore society has brought in its wake great stability and security. The recent PERC survey shows Singapore topping the polls in terms of the quality of life amongst its South East Asian nations. Yet, PERC acknowledges that Singapore lacks the buzz of Hong Kong. The vibrancy of Hong Kong is the collective life and energy resulting from the unpredictability and flexibility of post-modernism chaos. Hong Kong’s disorganised capitalism and its organic “anything goes with anything” culture is a defining post-modernism characteristic.

5. The spirit of a nation – its identity and the collective human psyche. What is the ‘spirit’ of Singapore? There is no one quintessential spirit that defines Singapore, unlike other world cities with the “Buzz”. For example, Hong Kong’s spirit is defined by its people’s entrepreneurial and laissez-faire attitude; New York, by its ‘can-do’, ‘in-your-face’ gumption; Paris, by its elegant and sophisticated culture. Nurturing a creative people and workforce by instant transplants of arts education and programmes needs to be complemented by the nurturing of an individualistic, adventurous and even “dare-to-fail” spirit in our young. We need to encourage the creation of a distinctive Singapore spirit. This is essential in the long-run for the existence of a spiritual buzz.
6. The variety of activities. Although the recent PERC survey does rate Singapore highly in terms of its variety of activities, viz., entertainment and recreation, there is the general comment that Singapore lacks the myriad complexity of multi-dimensional cities like Bangkok, Hong Kong and Tokyo. This, we believe, arises from the strict implementation of even stricter rules on environmental planning and hazards, such as noise and hygiene. The re-creation of sterile al-fresco eating environments, strict zoning of entertainment areas and licensing of activities has resulted in an over-planned variety of entertainment and recreational activities which lack the creativity and sense of adventure that one encounters in Bangkok, Hong Kong or Tokyo.
7. The mindset of its people. There should be greater emphasis on creative thought in the school curriculum. The traditional emphasis on rote learning stifles lateral thinking, a necessary precondition for creativity. As a result, the younger generation is often incapable of thinking outside the box and if a solution cannot be found in the books, they will not pursue an alternative course. As our esteemed Senior Minister Lee Kuan Yew had pointed out, “entrepreneurs are born, not made”. If this is so, then the “budding entrepreneurs” will have their spirit killed at a tender age, instead of being nurtured.
8. Intolerance of failure by society is another problem. This stems from the mindset of Singaporeans who are concerned with the stigma of failure. Such intolerance is experienced by people from all ages and all walks of lives. Children are streamed into gifted, express or normal classes (and hence ‘branded’) at the tender young age of ten. This prospect is daunting for both the parents and child. It has been scientifically proven that boys are late developers with a likelihood that their potential can only be realised at a later age. However because of streaming (determined solely through exam grades), whatever potential they may have are being curbed by the categorisation. Those unfortunate enough to end up in the ‘normal’ stream are likely to lose hope and confidence in themselves because they are told that they are not good enough.

9. The environment, both man-made and natural. Singapore's natural advantage is its surrounding seas. Yet the social, sporting and recreational buzz that is normally associated with countries blessed with good waters and harbours, appears to be lacking in Singapore. Our seas and shores provide an excellent environmental asset and this can be the setting for world-class international regattas such as the America Cup or even as a regional cruise centre. Despite much improvement made to the rivers and Marina Bay, these waters still lack life. The colourful 'tong kang' trade that was carried out in Singapore's rivers has now been replaced by the tourist bumboat. We should bring back the boat businesses, ferries and small crafts to enliven the waters.

#### Key Conditions

10. We believe that certain conditions will need to be present to formulate attributes necessary to create Lifestyle Buzz. The key conditions are the 5 Cs. The 5 Cs, not necessarily in order of priority, are Chaos, Creativity, Culture, Concentration and Connectivity. The purpose of the 5 Cs is primarily to try to create an ethos that is uniquely Singaporean and to counter-act the absence of the five attributes mentioned above.
11. Chaos. The chaotic vibrancy of Hong Kong life at all levels is a result of a conglomeration of several factors. At the very basic street level, mixed use policies and liberal interpretation, coupled with a flexible implementation/enforcement attitude by licensing officials, have seen the organic growth of vibrant street markets, specialist trade areas, bars and restaurants and residential apartments co-exist side by side. In these areas, people come together to work, live and eat. The interactional social forces of this dynamism peel off to reveal multi-dimensional life. Much of this richness comes from the entrepreneurial energy of small traders and licensed hawkers who vie with each other to attract business in designated areas. Singapore needs to examine how it can move forward to its next stage of socio-economic and cultural development through loosening its controls on all segments of society.
12. Creativity. A vibrant and exciting environment must necessarily be the result of creative energies. A certain degree of irreverence and non-conformist thinking are necessary ingredients for creating a spirit of creativity and entrepreneurship. Budding musicians, artists and entrepreneurs must be encouraged to pursue their instincts. Arts, music and dance should be viewed as good careers and not simply as extra-curricular activities.

13. Culture. Home-grown culture is important to establishing a Singapore identity. We need to nurture, support, retain and attract local talent. Both the 'bottom-up' and 'top-down' approach need support and sponsorship from the government and the media. Grassroots' support could start through the local community centres and clubs in the form of funding for local groups, resident theatres and artist-in-residence programmes. The 'bottom-up' approach would require a re-examination of the education system. Education plays a large part in changing the mindset of our young. This 'C' in the form of Culture appears to have been jettisoned by the upwardly mobile in favour of the five material 'C's. Giving theatre groups a home in community centres will help in bringing culture and art to the man on the street.
14. Concentration. Concentration of activities in specific areas or clustering would create a certain critical mass thus resulting in buzz. Examples of these in Hong Kong are: (i) For dining/entertainment – Lan Kwai Fong, SOHO, Wanchai, Causeway Bay and Tsim Sha Tsui. Each of these areas are known for their distinctive dining/entertainment themes; (ii) For shopping – Causeway Bay, Tsim Sha Tsui, Mongkok and Yau Ma Tei. Each of these areas have grown organically and are known for their speciality shopping e.g. Mongkok/Yau Ma Tei have world-famous street markets specialising in products such as ladies' fashion products, men's fashion products and cosmetics. Yet these areas are not mono-thematic but are characterised by layers of activities. Sustainability and critical mass are two issues that must be addressed in the process. Sustainability can be achieved by allowing the character of a locality to evolve, even if this means transplanting it as a catalyst. For example, Geylang can become a Mongkok, Jalan Besar can become a Wan Chai and Albert Complex/Sim Lim Sq, an Akibahara.
15. Clustering of multi-thematic and multi-dimensional activities within a small geographic area would enliven the area and create the layers of activities to sustain the sense of exploration and adventure for both visitors and locals.
16. Connectivity. Closely linked with Concentration would be Connectivity. Convenient access and inter-connection are required between the major activity areas. This includes inter-connection transport links e.g. between the MRT and taxis. An efficient transport system helps in creating life and buzz in Singapore. Pedestrian networks (possibly even air-cooled) should also be created to link key cluster areas.

17. As a response to the key conditions mentioned above, we have two recommendations. These recommendations are by no means exhaustive and aim to ultimately nurture a Creative People and Workforce (as suggested by MITA in its March 2002 “Investing in Singapore’s Cultural Capital” paper). It will take more than an enhanced arts education and ‘Arts Everywhere’ initiative to create critical mass for cultural capital. In particular, we need to seriously address the Lifestyle Buzz challenges mentioned below if we hope to attract and retain cultural capital.

Recommendation 1: Create Hubs of Activity

18. This could be in the form of a calendar of world famous international events which would act as catalysts for attendance. People’s lives could revolve around these events e.g. Grand Prix, UK Glastonbury Festival, Asian Arts Festival (which could also be used to promote Singapore as a hub for Asian culture) and the London Horticultural Show. This will put Singapore on the international map and add to the variety of activities available for public participation.

Recommendation 2: Enable Richness of Life at the ‘Street Level’

19. We should also bring back the flea/antique markets like Sungei Road. While stalls could be licensed, the stark re-creation of such stalls should be avoided; we should only facilitate and not re-create the spontaneous development of such activities. Other activities to encourage entrepreneurship could be through ‘car boot sales’ organised on empty JTC land.
20. Singapore has made a very good effort in attempting to re-create street life at Tanglin Mall, Boat Quay and Clarke Quay. However, we can only attribute its lack of success to the contrived environment and its regulated/organised setting. It may be better to simply allow people to hawk their wares creatively either with or without the payment of a small licence fee on a vacant piece of land.
21. We anticipate that implementing the recommendations would involve the close collaboration of several government departments such as Ministry of Environment, MTI, URA and MITA in formulating sustainable land planning policies which would allow an automatic re-generation and evolution of Singapore’s lifestyle through the extrapolation of a creative activity hub and vibrant street life.

## Membership and Participation

### Members of SON Hong Kong Main Committee

Francis Heng  
Chairman of SON Hong Kong  
Chairman, Human Capital Group  
Finance Director  
Hongkong Land

Anthony Teo  
Deputy Chairman of SON Hong Kong  
Chairman, Entrepreneurship & Innovation  
Group  
Senior Vice President  
Sino Tech Group

Lye Khay Fong, Ronald  
Chairman, Globalising Singapore-based  
Company Group  
Managing Director  
Titron Media (Hong Kong) Ltd

Wong See Meng  
Chairman, New Services Group  
Business Development Manager (Hong Kong &  
China)  
Sino Land Group

Benny Lee (Ms)  
Chairman, Lifestyle – the Singapore Buzz Group  
General Counsel  
GE Capital (Hong Kong) Ltd

### Secretariat

Celestia Kee  
Centre Director  
Contact Singapore, Hong Kong

Ong Ai Ming  
Manager (Talent Relations)  
Contact Singapore, Singapore

**Members of Globalising Singapore-Based Companies Group**

Lye Khay Fong, Ronald  
Chairman, Globalising Singapore-based  
Company Group  
Managing Director  
Titron Media (Hong Kong) Ltd

Leong Lau Kheng Janice (Ms)  
Group General Manager, Global Business  
NCSI(HK) Limited

Richard Lau  
Deputy Chairman, Globalising Singapore-based  
Company Group  
Chief Executive Officer  
APT Satellite Telecommunications Ltd

Andrew Lim  
Senior Trader Derivatives, Asian Domestic  
Derivatives Trading  
HSBC

How Peck Huat  
Managing Director  
Temasek Holdings (Hong Kong) Ltd

Low Soon Teck  
Director- Legal and Corporate Affairs  
South China Morning Post Publishers Ltd

Kwik Sam Aik  
General Manager  
DBS Bank - Hong Kong

Jennifer Tan (Ms)  
Executive Director  
Zemos - Group of Companies

Lee Kheng Joo  
General Manager/Fund Manager  
Leading Environmental Services and Solutions

Yeo Cheng Swee, Jimmy  
Managing Director  
Asia Strategies Co Ltd

Lee Yong Sun  
Vice Chairman  
Kerry Holdings Ltd

**Members of Human Capital Group**

Francis Heng  
Chairman of SON Hong Kong  
Chairman, Human Capital Group  
Finance Director  
Hongkong Land

Larry Ma  
Investment Director  
Citicorp Capital Asia Limited

Wilson Ang  
Solicitor  
Herbert Smith

Neo Que Yau  
Director  
Euro Group International Inc

Georgina Chan(Ms)  
Director of Education & Training  
Hong Kong Society of Accountants

Tan Eddie C. S.  
Citibank N.A  
Country Treasurer  
Hong Kong & China

Choo Boon Yong  
Associate Director  
Temasek Holdings (Hong Kong) Ltd.

Tan Teik-Heng  
Director & Principal Consultant  
EdVenture Network Ltd

Yeok Chow (Mrs)  
Vice President - Regional e-Business  
Citibank, N.A.

Yoke Tan (Ms)  
Audit Manager  
Citigroup Inc.

Lily Lee (Ms)  
Partner (Solicitor)  
Lee & Li

Thio-Poon Lai Choo, Sally (Mrs)  
Principal  
Singapore International School

Bobby Lim\*  
Private Equity – Manager  
DBS Bank

Wong Kai Kok, William  
Director  
Tai Fook Investment Services Ltd

Long Jek Aun  
Lawyer  
Clifford Chance

Yong Wei Ling Ivy (Ms)  
Lawyer  
Clifford Chance

*\* Details cannot be confirmed as person has either left Hong Kong or is not contactable.*

**Members of Entrepreneurship and Innovation Group**

Anthony Teo  
Deputy Chairman of SON Hong Kong  
Chairman, E I Group  
Senior Vice President  
Sino Tech Group

Celene Loo (Ms)  
CEO  
Blue Spa

Liu Chee Ming  
Deputy Chairman, E I Group  
Managing Director, Platinum Securities

Beat M. Muller  
Managing Director  
LGT Investment Management (Asia) Ltd, Hong  
Kong

Andrew Kwok  
Secretary, E I Group  
Executive Director  
Singapore Chamber (Hong Kong)

Phoon Chiong Kit  
Managing Director  
Golden Harvest

Chua Bee-Leng (Ms)  
Associate Professor,  
Chinese University of Hong Kong

Aaron Tan  
Director  
RAD Ltd

Lena Chou (Ms)  
Marketing Director  
Pineridge Ltd

Tan Yong Wah  
Chief Information Officer  
Hong Kong Monetary Authority

Lee Kheng Joo  
General Manager/Fund Manager  
Leading Environmental Services and Solutions

T B Stevenson  
HSBC Board Member

Lim Yew Seng  
Managing Partner  
Enhancement Partners, LP

Tony Teo  
Managing Director  
Pacific International Lines (Hong Kong)

**Resource members of Entrepreneurship and Innovation Group**

Chan Yan Chong  
Associate Professor  
City University of HK

Peter Tan  
President  
MacDonald's (Hong Kong/China)

Kow Ping  
Chief Operating Officer  
EEplace.com

Tan Wing Ming  
Director & General Manager  
Shanghai Pica Colour Separation & Printing Co Ltd

Lee Yong Sun  
Vice Chairman  
Kerry Holdings Ltd

Tan Wing Mun  
Managing Director  
Golden Lotus Shoes Fty Ltd

Y.H. Michael Pao (Dr)  
Chairman  
Enhancement Partners, LP

**Members of New Services Group**

Wong See Meng  
Chairman, New Services Group  
Business Development Manager (Hong Kong &  
China)  
Sino Land Group

Poon Wing, Keith  
Deputy Chairman, New Services Group  
Consultant – Solicitor & Notary Public  
Hoosenally & Neo

Rick Kent  
Director of Business Development  
Coudert Brothers

Lee Kheng Joo  
General Manager/Fund Manager  
Leading Environmental Services and Solutions

Larry Ma  
Investment Director  
Citicorp Capital Asia Limited

Tan Yong Wah  
Chief Information Officer  
Hong Kong Monetary Authority

**Members of Lifestyle – The Singapore Buzz Group**

Benny Lee (Ms)  
Chairman, Lifestyle – the Singapore Buzz Group  
General Counsel  
GE Capital (Hong Kong) Ltd

Kevin Lau  
Country Risk Manager  
Visa International, Hong Kong

Chia Lye Hin, Anthony  
Deputy Chairman, Lifestyle – the Singapore  
Buzz Group  
A. Vice President  
PCCW

Lily Lee (Ms)  
Partner (Solicitor)  
Lee & Li

Adrian Chan  
Associate  
Linklaters

Adelaine Lim (Ms)  
Project Manager - Applied Technology Centre  
Hong Kong University of Science & Technology

Gillian Chee (Ms) \*  
Associate Director -Investment Consultancy  
Chesterton Petty Ltd

Joycelyn Ong (Ms)  
Vice President  
Morgan Stanley

Chong Koo Siong, Lawrence  
Associate Director & General Manager  
Leasing Department  
Sino Land Group

Daniel Tan  
Director, Head of Relationship Management  
(Hong Kong)  
Corporate Financial Services  
ING Bank N.V.

Chua Wah Peng, Robert  
Executive Chairman  
Robert Chua Production House Co. Ltd

Riben Toh (Ms)  
General Manager  
Cavena Asia Pacific Ltd

Rebecca Hong (Ms)  
Solicitor  
Linklaters

*\* Details cannot be confirmed as person has either left Hong Kong or is not contactable.*