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Singapore can have two wings of growth: Ex-NUS president



Prof Shih Choon Fong, former president of NUS. Photo: Robin Choo/TODAY

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SINGAPORE — It is not a zero-sum game between attracting foreign investment and nurturing local start-ups, said former National University of Singapore (NUS) president Shih Choon Fong.

Speaking to reporters before his public lecture at the NUS Kent Ridge Guild House this evening (Jan 20), he expressed his strong belief that Singapore can have "two wings of growth".

"I don't think (foreign multinational corporations) should be the only way. Let's have a second wing of growth (of local start-ups) to take Singapore to the world," he said.

The key, however, is for local start-ups to go beyond the Singapore market and expand overseas to eventually become global companies, added Professor Shih.

Earlier this month, the Singapore Business Federation said in an economic position paper that the Republic should aim to help local companies venture abroad, instead of focusing on bringing in more foreign investment.

Nevertheless, Prof Shih, who has been living in Beijing for the last two years after stints in the Middle East and the United States, stressed that foreign direct investments and foreign multinational corporations (MNCs) will benefit Singapore by contributing their expertise and technology.

Pointing to Switzerland as a case in point, he said the small European nation of eight million people has 15 homegrown MNCs listed among the top 500 companies in the world, which contribute to 35 to 40 per cent of the country's income. At the same time, there are foreign companies investing in Switzerland, he noted.

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During his lecture, Prof Shih stressed the importance of local companies expanding abroad in order to seize more commercial opportunities and eventually turn the business into big MNCs.

The local market of five million people will be too small to grow the business.

“Think of the world’s market ... in 30 to 35 years’ time, there will be 9.6 billion people... they want 50 per cent more food, 30 per cent more water , 45 per cent more energy. That is a lot of opportunities for new companies and start-ups,” he added.

He cited Air BnB and Uber as some examples of start-ups that have become successful after going global.

And for the start-up landscape here to grow, Prof Shih offers a few solutions, including having a mindset change of embracing disorder and untidiness that will encourage start-ups to experiment and explore to find the next breakthrough. This will mean a more light-touch regulatory approach which will move towards self-regulation, starting from the community itself, he said.

For instance, in the United States’ Silicon Valley, it not just about a space but also a risk-taking culture. There is a need for “people with big dreams, taking big risks to create the next big thing”, he added.

Prof Shih also suggested having “global innovation launch pads” that allow over 1,000 start-ups to congregate and interact in a common space, while these places will also act as nerve centres for local start-ups to reach into the rest of the world.

He also mooted the idea of an enterprise college that will allow students to spend two years at NUS and two years in China to spur young people to innovate and become entrepreneurs.

For Singapore’s next leg of growth, Prof Shih said, it is imperative to help local companies turn into global leaders.

While Singapore spends heavily on research and development, he argued that “research papers, inventions, IP (intellectual property) are bright ideas but are not innovations”.

“Innovations transform bright ideas into commercial products and services,” Prof Shih added.