

# Going on the offensive by deepening, widening external ties

**CFE also calls for connectedness via a 'Global Innovation Alliance' for a link to tech and innovation networks**

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## Singapore

WITH the anti-globalisation tide rising, the tendency of free-trade economies such as Singapore is to turn defensive to ward off the threat of trade protectionism.

But the Committee on the Future Economy (CFE) has said that Singapore must not just focus on resisting protectionism; it must go on the offensive and hook up with more overseas partners and seek opportunities in new markets, especially in Asia.

In its 109-page report released on Thursday, the committee said: "Our public officials, businesses and individual citizens should build strong ties with their overseas counterparts and strengthen cooperation with other countries and regions through specific projects."

To this end, the CFE recommends the setting up of a "Global Innovation Alliance", through which Singapore can "build deep connections to global innovation and technology networks so as to harness new ideas better".

The panel made two other recommendations: One was to press on with trade and investment cooperation, and the other, to deepen knowledge of our markets.

If followed through, these three recommendations should deepen and diversify Singapore's international connections – which is one of seven strategies the CFE has identified in order to power Singapore to a yearly growth of 2 to 3 per cent on average.

The CFE urged universities and polytechnics as well as companies to

connect with overseas partners in major innovation hubs and key demand markets (as opposed to supply markets) to form a GIA. Drawing on such global ties and assembling a wide range of perspectives and experiences can spark new innovations.

"The practice of connecting and working with global partners across geographical and cultural boundaries also inculcates mindsets and instincts that are more alert and ready to tap into opportunities everywhere."

The CFE suggested that more universities and polytechnics here be involved in giving their students exposure to Asia's opportunities.

"In-market partners" should be invited to join the GIA, and so provide innovation launchpads for Singaporeans and startups from Singapore and partner countries to cooperate and tap the expertise in the universities, polytechnics and their partners.

The Overseas Colleges programme now being run in the National University of Singapore (NUS) exposes Singapore students to innovation and entrepreneurship in places like Silicon Valley, Tel Aviv and Beijing; it has helped to groom fresh entrepreneurial talent and promising startups here. Observers have suggested that the programme be expanded in NUS and other local institutes of higher learning.

The committee said the GIA not only has scope for growth in Singapore, it also has a strong base to build on. For example, in NUS – recently ranked the world's most international university – about eight in 10 undergraduates get to study abroad, including going on semester-long ex-

changes with students from 300 universities in 40 countries.

NUS also has tie-ups with overseas universities to offer 70 joint-, double- and concurrent-degree programmes.

Phil Baty, the editor of UK-based Times Higher Education World University Rankings, which puts together the widely recognised international rankings, said NUS stands as the flagship of a true global knowledge hub.

"NUS, and indeed Singapore more widely, has become a powerful magnet for international talent – drawing in leading thinkers and scholars from right across the world, and forming the base for exciting and dynamic global partnerships," he said.

The CFE said that Singapore, which derives two-thirds of its GDP from external demand, must stay open to trade and investment. "The imperative for free trade and open markets remains as important as ever. The free movement of goods, services and investment enables efficient specialisations, and has led to a rise in living standards around the world."

Selena Ling, Treasury & Strategy Research head at OCBC Bank, agreed, saying: "Singapore will essentially have to continue to keep up a brave front and push on with free trade and investments, notwithstanding the US pushback on the TPP (the Trans Pacific Partnership trade deal) after Donald Trump's victory."

"This is to a large extent inevitable because Singapore remains a small and open economy with no economic hinterland market."

The CFE called on Singapore to continue to work with like-minded partners to push for free trade and investment flows.

"Despite the rise of protectionism in some parts of the world, there re-

main many economic players who are committed to open trade as well as potential new partners in diverse and emerging markets, seeking to plug into the global economy."

The CFE said Singapore needs to boost trade cooperation and cut tariff and non-tariff barriers through free trade blocs such as the Asean Economic Community and free-trade pacts like the Regional Comprehensive Economic Partnership.

"As the Asean chair in 2018, Singapore can help to advance economic integration within Asean and with Asean's key partners," it added.

Asia offers many opportunities for those prepared to learn its intricacies and serve its varied range of needs, said the CFE.

"Rising consumption and demand for infrastructure in Asia offer significant export and investment opportunities for Singapore-based companies."

"We need to help our enterprises accelerate their pace of internationalisation, especially in the region, and groom talent with deep regional market expertise."

The CFE further suggests that the government work with companies to back the deployment of Singaporeans on quality overseas jobs through the SkillsFuture Leadership Development Initiative.

The government should also facilitate more overseas internships "of a substantive duration" for students in post-secondary education. And it should ease Singaporean parents' concerns when their children take these overseas assignments.

While the CFE offers no groundbreaking recommendations, OCBC's Ms Ling said it has reinforced "the growing need to stay connected, even amid an emerging shift by some of our key trading partners towards protectionism and insular growth".