THE STRAITS TIMES

Saturday, December 18, 2021

Safe distancing measures at the IT department of Great Eastern's renovated office space at 200 Changi Road. ST PHOTO: LIM YAOHUI

Businesses

Regular testing, hybrid workplace the new normal

Choo Yun Ting

Businesses in Singapore are taking the Omicron curveball in their stride, given the high vaccination rate of the workforce and the adoption of hybrid work models.

Firms are encouraged that Singapore's calibrated reopening is going ahead despite the new coronavirus strain, with more employees allowed to return to the workplace from Jan 1.

But the multi-ministry task force tackling Covid-19 has said that even as the work-from-home stance will be eased, the Government is considering removing the concession for unvaccinated persons to return to the worksite with a negative Covid-19 test.

Mercer Singapore corporate wellness leader Krystal Tang said the removal of the testing concession is unlikely to have much impact on business operations, given that some 97 per cent of Singapore's workforce is fully vaccinated as at early December.

The Manpower Ministry told The Straits Times that only about 75,000 employees are unvaccinated as at Dec 5, a one-third decrease since Oct 17.

Dr David Leong, managing director of human resources firm PeopleWorldwide Consulting, said that the move, if it happens, will encourage such workers to seriously reconsider their choice not to get vaccinated.

"If these unvaccinated employees can still operate off-site and can function from home, employers may still employ them with restricted benefits and insurance coverage," he said.

Singapore International Chamber of Commerce chief executive Victor Mills said that businesses are building on their experiences and lessons learnt since the pandemic started.

Ms Tang said: "Employers should also be ready to develop emergency work plans to address the potential need to work from home, plans for essential business functions, and employee engagement during this time."

At the same time, firms with staff who are required to undergo mandatory regular Covid-19 testing are also preparing for the eventuality of having to bear the full cost if subsidies are rolled back.

The Government said last week that while subsidies for mandatory rostered routine testing (RRT) will be extended for three more months until March 31, firms should be prepared to factor in testing costs as part of normal business operations after that.

The Restaurant Association of Singapore said it is supportive of the regular testing strategy to ensure a safe dining environment.

Still, testing costs could impact overall expenses greatly, adding to other cost increases such as for labour, food supplies and energy.

"We hope that the government can continue to support our members as well as all the F&B operators with the cost of the ART (antigen rapid test) kits, so long as RRT is legally required," a spokesman said, noting that such support would provide some "breathing space" for firms.

Scanteak Singapore chief executive Jamie Lim said that while any additional costs would be of concern for firms, especially since inflationary pressures have been more pressing than ever, it is a worthwhile trade-off if it means avoiding another circuit breaker that would have a more devastating impact on the country's economy and companies.

"We are grateful that the cost of ART kits has gone down already, that is helpful," she said, adding that the company has been ensuring it has ample test kits.

As for work from home, Mr Mills said most people now accept the future of work is hybrid.

"I doubt very much we will ever go back to 100 per cent of people working from the office. There is no need and there is no wish to either. However, people do want to be able to make the decision themselves of when they work from home or from the office."

Mercer's Ms Tang said employers can support staff and encourage them to get vaccinated through means such as providing additional time off when they get their jabs.

OCBC Bank, for example, is encouraging unvaccinated staff to get their jabs by covering the pre-event testing cost for those who get their first shots by Dec 31, until the completion of their vaccination regime. About 97 per cent of its 10,000 staff in Singapore are fully vaccinated.

Several firms told ST that flexible work arrangements will continue to be the norm.

Ms Janice Foo, head of people at KPMG in Singapore, said that from January, its employees would be adopting a hybrid work model where staff return to the office primarily for meetings, team-building and collaboration activities.

"Adopting a hybrid work model for the future will allow us to strike a balance between flexibility and the need for face-to-face, quality human interaction, so that employees are able to stay productive and connected," she said.

Business services provider TDCX is taking a phased approach, with 10 per cent of its staff going to the office at first, before it progresses to having half its workers on-site. Those in operations roles will be prioritised for return to the workplace ahead of those in support functions, said Ms Angie Tay, TDCX group chief operating officer and executive vice-president for Singapore and Thailand.

GOODBYE OFFICE

I doubt very much we will ever go back to 100 per cent of people working from the office. There is no need and there is no wish to either.

MR VICTOR MILLS, Singapore International Chamber of Commerce chief executive.

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Mr Law Leh Ping (seated, right), who had a simultaneous pancreas-kidney transplant in 2019, and Associate Professor Tiong Ho Yee (seated, left), director of the National Pancreas Transplant Programme. With them are (standing, from left) the National University Centre for Organ Transplantation's Associate Professor Glenn Bonney, a consultant; Ms Joreen Poh, a senior transplant coordinator; and Dr Hersharan Kaur Sran, a senior consultant. PHOTO: NATIONAL UNIVERSITY HOSPITAL

National wait list set up for pancreas transplants

Such operations can improve severe diabetics' quality of life, reduce long-term complications

Nadine Chua

Patients who need a pancreas transplant will now be placed on a national wait list to get the operation, with Singaporeans and permanent residents eligible for subsidies under a new national programme.

This will ensure that potential patients at all hospitals are identified and screened for pancreas transplant suitability.

Those on the wait list can expect to wait around two years to receive a new pancreas.

This organ produces insulin that helps control blood glucose levels.

For severe diabetics who do not produce sufficient insulin, a pancreas transplant can improve their quality of life and reduce long-term diabetic complications such as kidney failure, blindness and stroke.

After a successful transplant, the pancreas should be able to produce sufficient insulin to control the patient's blood sugar.

The national programme was approved by the Ministry of Health in April, making Singapore the only South-east Asian country with a pancreas transplant service.

The National University Hospital (NUH) and Singapore General Hospital transplant units first collaborated on a pilot pancreas transplant service in 2012.

A pancreas transplant is most commonly performed with a kidney transplant, known as simultaneous pancreas-kidney (SPK) transplant, Associate Professor Tiong Ho Yee, director of the National Pancreas Transplant Programme, told the media yesterday.

He explained that diabetes is a major cause of kidney failure.

An SPK transplant improves the quality of life for diabetic patients compared with a kidney transplant alone, as they will no longer need to take regular insulin injections or undergo dialysis treatments, he said.

"This is the only treatment to establish normal sugar levels in patients with diabetes without the need for external insulin injections," said Prof Tiong.

One SPK transplant has been performed since April, while four such operations were successfully carried out during the pilot.

The national programme also offers pancreas-only transplants and pancreas after kidney transplants.

About 19,000 people here are diagnosed with diabetes each year.

According to the Singapore renal registry annual report 2019, diabetes is the number one cause of kidney failure here, accounting for about two in three new patients needing dialysis.

Speaking at an event to mark World Diabetes Day on Nov 14, Health Minister Ong Ye Kung said one in three individuals in Singapore is at risk of developing diabetes in their lifetime.

"If nothing is done, by 2050, it is estimated that about one million Singaporeans will be living with diabetes," said Mr Ong.

Singaporeans and permanent residents are covered by the national programme, and eligible patients will benefit from Ministry of Health subsidies for the transplant operation, which will be carried out at NUH in the next two years.

Without the subsidies, patients may have to fork out around $80,000.

Mr Halim Anuwar was the first to undergo an SPK transplant under the national programme in July.

The 39-year-old ambulance driver said: "It was shocking and unexpected to receive the call from NUH that I could undergo the transplant."

He added: "I'm recovering well now... I'm back at work. I no longer have to attend dialysis treatments and can now lead a normal life."

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I was given a new life, says diabetic

Since 2014, undergoing four-hour dialysis treatments three times a week had become a routine for Mr Law Leh Ping.

But the 50-year-old technician no longer needs to go for dialysis after undergoing a simultaneous pancreas-kidney (SPK) transplant in April 2019. He is the first person in Singapore with Type 2 diabetes to go for such an operation.

Mr Law, who was diagnosed with Type 2 diabetes in his 20s, required insulin injections in his 40s when his blood glucose level could not be controlled.

Significant kidney function deterioration later meant he needed dialysis.

"It took up a lot of time, because I had to leave work early three times a week and rush for my dialysis."

He said: "This meant that I also could not travel overseas for long periods of time. At most, I could take a day trip to Malaysia."

Diabetes is a condition where there is too much sugar in the blood, which is damaging to the body and can lead to heart disease, kidney damage and even blindness.

Type 1 diabetes is genetic and unpreventable. It occurs because the pancreas does not produce enough insulin, a hormone that controls blood glucose levels.

Type 2 is the most common form of diabetes where the body is unable to use insulin properly. Its most common cause is obesity and an inactive lifestyle.

Mr Law's transplant was one of four SPK operations successfully done in a pilot pancreas transplant service started in 2012, as a collaboration between the transplant units of National University Hospital and Singapore General Hospital.

The pancreas transplant service was approved as a national programme by the Health Ministry in April.

Dr Hersharan Kaur Sran, said: "Although most people on the wait list have Type 2 diabetes, many of them are not eligible for the simultaneous pancreas-kidney transplant because they do not fit the criteria, which is they must be on insulin and not overweight.

"Some of them may also have other medical conditions which make them unfit for the transplant."

The senior consultant at the National University Centre for Organ Transplantation said Mr Law was deemed suitable as he was on insulin and his weight was stable.

Mr Law said: "The transplant was a rare opportunity. When I had to undergo frequent dialysis treatments, my children were really worried about me. Now, it feels like I was given a new life."

Nadine Chua

Weather

SINGAPORE

23/32°C

THUNDERY SHOWERS

Occasionally windy. Thundery showers over many areas in the afternoon and evening.

OUTLOOK

Monday: Windy. Afternoon thundery showers.

Tuesday: Windy. Late afternoon and evening thundery showers.

AIR QUALITY

PSI 28-47 (Good)

24-hour reading as at 5pm yesterday

Sun	Moon
Rise 6.58am	**Rise** 2.04pm
Set 7.00pm	**Set** 1.41am

TIDES

Today: 6.22am (2.5m), 12.01pm (1.7m), 5.35pm (2.4m).

Tomorrow: 12.31am (1.1m), 7.16am (2.5m), 1.41pm (1.5m), 7.30pm (2.3m).

More seniors opting to work past 60

Calvin Yang
Manpower Correspondent

Human resource manager Nancy Ting is turning 65 in February, but has no intention of retiring any time soon.

When she started her career in HR more than 40 years ago, she had to perform tasks manually – from scanning and sorting hard copy documents to chasing managers for their timesheets.

These days, Ms Ting, who works for cleaning and conservancy firm LS 2 Services, uses digital tools to ease her workload, including analysing data on staff performance. She admits that the initial stages of reskilling were challenging, but undeterred, she plans on becoming a HR director.

"I am constantly looking for new challenges and a chance to contribute on a larger scale," said Ms Ting, who has served in various sectors, including logistics, defence and facilities management.

"I believe that my experience in overcoming challenges will come in handy, and I can give some advice to my younger colleagues should they face similar roadblocks in their HR careers."

Like Ms Ting, many mature workers intend to work beyond 65.

More seniors here continue to be employed, buoyed by efforts to raise their employability, advance estimates released by the Manpower Ministry on Dec 1 revealed.

The employment rate of seniors aged 65 and above rose at a faster pace and is higher this year compared with pre-pandemic levels.

The employment rate of seniors went up to 31.7 per cent in June, from 28.5 per cent a year ago. This year, it surpassed the pre-Covid-19 rate of 27.6 per cent in 2019.

On Nov 1, it was announced that the retirement age will be progressively raised to 65 under the law, with the re-employment age going up to 70, to support older Singaporeans who wish to continue working.

Meanwhile, the national SkillsFuture movement and a strong focus on lifelong learning have given seniors the confidence to stay employed, said Dr David Leong, managing director of human resource firm PeopleWorldwide Consulting. "With training and new skills, these seniors find themselves employable," he said.

The Covid-19 pandemic has made it tough to bring in foreign labour, pushing employers to look for alternative sources, he added.

"Senior workers become immediately helpful," said Dr Leong.

Older workers told The Sunday Times that they would like to continue working as long as they are healthy. Many believe they can be good mentors to their juniors.

For pharmacy supervisor Adeline Loh, interacting with customers keeps her motivated.

"Every day, I get to meet different customers who share with me their knowledge and life experiences," said the team leader at a Unity outlet in Dawson Place.

"There are many uncertainties every day, and there is still so much to learn and improve on."

The 61-year-old has been working for Unity pharmacy for 17 years, starting off as a pharmacy assistant and rising to senior supervisor and being responsible for store operations.

Efforts to boost the employability of seniors, such as raising the retirement and re-employment ages, help mature workers like her who wish to continue contributing.

Age is just a number, she said. "As long as I am healthy and able to work, I will continue to work and share my experience with the team."

Ms Loh, whose current tasks include planning ways to drive sales and forecasting staffing needs, often sets aside time to mentor her younger colleagues, including interns and tertiary students working part-time. She offers them tips on how to better serve shoppers.

"I feel fulfilled when I see that they have improved in their customer service skills or received compliments from customers," she said.

Mr Jalalludin Ibrahim, a swimming pool operator at Sport Singapore, formerly known as Singapore Sports Council, enjoys guiding his younger colleagues and sharing his knowledge when opportunities arise. The 62-year-old, who has been with the agency for nearly 40 years, believes that experience is invaluable.

"Senior workers are sometimes better equipped to take on trickier workplace situations," he said.

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SEE INVEST • B2

Retailers ride boom in festive season sales

Rosalind Ang

Retailers both online and offline are gearing up for the upcoming 12.12 retail push after sales on Nov 11, better known as 11.11, and Black Friday recorded better figures than the same period last year.

E-commerce platform Lazada had 40 per cent more sellers taking part in its 11.11 sale, while retailers on Shopee sold more than two billion items during the same event.

This is a sharp rise from last year, when more than 200 million items were sold on Shopee during its 11.11 event.

The e-commerce platform said its event on Black Friday, which fell on Nov 26, also saw almost double the consumer demand it had last year.

"Each of our major sale campaigns continues to outperform the last, indicating the growing significance of e-commerce in the lives of consumers," said a spokesman for Shopee.

Lazada, which has 11.11 as its biggest one-day retail event of the year, crossed $11 million in sales in the first nine minutes of the event, breaking last year's sales record.

In particular, the digital category – which included items like food and beverage vouchers, tourist attraction vouchers and beauty services vouchers – had the strongest growth compared with last year, while travel luggage sales almost doubled.

Lazada did not comment on its Black Friday sales figures.

Furniture and electronics giant Courts said its Black Friday sales outperformed sales for its 11.11 event. Bestsellers included television sets, bedding and large home appliances such as refrigerators.

Courts Asia chief operating officer Matthew Hoang said consumer sentiment seems to be on the rebound as Covid-19 restrictions ease and Singaporeans gradually embrace the new normal.

"As the festive season draws closer, coupled with the school holidays and the relaxed Covid-19 restrictions, we have observed greater footfall in our physical stores as more shoppers turn up to do their holiday shopping," added Mr Hoang, who is also chief executive officer of Courts Singapore.

He is anticipating that Courts' sales and promotions this month will attract similar or higher demand than during its Black Friday sales.

Mr Erwin Wuysang-Oei, the marketing head of department store Metro, said shoppers appeared more comfortable going into stores compared with last year, but added that in-store traffic is not at pre-pandemic levels.

"We are still gearing up for the gift shopping season... However, we will continue to remain cautious despite the holiday sales season," Mr Wuysang-Oei said, adding that Metro is still recovering from the lack of tourists this year.

Shoppers approached by The Sunday Times said they are looking forward to the 12.12 and holiday season sales.

Mr Brandon Chia, a third-year communications student at Nanyang Technological University, noted that retailers are offering more exclusive discounts online.

So the 24-year-old decided to shop only during online sales.

"I spent over $500 on clothing items online during the Black Friday sales. I also bought a Pokemon game during the 11.11 sale at $69. It was originally about $79," said Mr Chia.

But Mr Leong Ji Keet said that during sales events, he would rather shop for big-ticket items, such as beds and closets, at physical stores.

"It's always better to see these items in person so you can test them out or see the measurements to check if they fit your home," said the 26-year-old university teaching assistant.

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Must-reads

THE BIG STORY

Ousted Myanmar leader gets jail sentence halved

Myanmar's deposed state counsellor Aung San Suu Kyi has had her jail sentence reduced from four years to two years after a partial pardon by the military-appointed government. She was earlier sentenced to four years' jail for inciting dissent and breaching Covid-19 pandemic rules. A1

WORLD

Kishida to review Japan's defence policy

Japanese Prime Minister Fumio Kishida will conduct a sweeping review of the country's defence policy amid a volatile security climate. Other priorities listed during his policy speech include fortifying the economy against inflation by ensuring that wages were raised to protect livelihoods and boost consumption. A10

The National Ski Jumping Centre is one of the venues for the 2022 Winter Olympics. The United States is reportedly expected to announce that government officials will not attend the Games. PHOTO: REUTERS

WORLD

China threatens countermeasures if US boycotts Beijing Olympics

China has called on the United States to stop calling for a diplomatic boycott of the Beijing Winter Olympics to avoid hurting bilateral ties. It also said China will take countermeasures . CNN reported that the US boycott would not prevent its athletes from competing in the Games. Australia and Canada are also reportedly considering diplomatic boycotts. A13

OPINION

Russia makes moves to be serious regional player

The significance of the first Asean-Russian naval exercise should not be exaggerated. Global Affairs correspondent Jonathan Eyal says it is an effort by Russia to become a serious player in Asia and the Pacific. Moscow has yet to derive many advantages from this delicate game, but it is determined to pursue this direction. A17

SINGAPORE

More youth turn to helplines during pandemic

The mental stress of coping with Covid-19 has hit youth who face changing routines, isolation, being around stressed parents, and fear of the virus. This is on top of difficulties with studies, and relationships with friends and family. Calls to helplines at social service agencies have increased since the pandemic began. B1

PHOTO: SUTD

SINGAPORE

SUTD students to build eco-friendly library

Engineering and architecture students from the Singapore University of Technology and Design will design and build a library made from cardboard and felt (above) in Bukit Panjang. The project aims to encourage recycling of used books, and give underprivileged families more reading options. B3

Coronavirus: Singapore

Construction firms expect latest Covid-19 curbs by MOM to further delay projects

Removal of VTL option for bringing in new workers worsens manpower crunch

Yeo Shu Hui

Companies in the construction, marine shipyard and process sectors are expecting their projects to be delayed by a few months.

This comes after employers in these sectors were no longer allowed to make new applications for workers holding S Passes or work permits to enter Singapore via vaccinated travel lanes (VTLs).

The latest curbs, announced by the Ministry of Manpower last Saturday, will also apply to employers of other dormitory-bound work pass holders.

Singapore has imposed stricter measures on all travellers entering the country to detect Omicron, the new coronavirus variant. As at yesterday, there were two imported cases who tested positive for Omicron, and one who tested preliminarily positive.

Companies that The Straits Times spoke to yesterday said that it was difficult to plan their schedules for existing and upcoming projects as they are facing a shortage of manpower.

Ms Serene Pan, chief executive of Hitomo Construction, said the company was previously trying to get about 10 workers into Singapore. "We had planned to employ more foreign workers via the VTL as they would be able to enter Singapore more quickly, but this plan has been disrupted."

She added that with the latest curbs, 90 per cent of Hitomo's upcoming projects are expected to be delayed by two to three months.

"There is nothing much I can do at this stage but continue trying to apply for foreign workers via entry approval," she said. "Currently, holders of existing work passes whose expiry dates are approaching are also asking for another pay rise, and we have no choice but to let go of a few of them as their asking pay is almost double their current salary."

Mr Xu Changcheng, director of StarCity Construction, said the company has been short of workers for almost a year. He said: "The majority of our projects are on hold. We have already declined some inquiries on new projects."

He added that three of its projects are expected to be delayed by three months to a year. "Currently, we get only small projects for the company to survive. Our clients are aware of the situation and they were very considerate to give us extensions to complete the projects."

Ms Louise Chua, executive director of The Singapore Contractors Association, said that removal of the VTL option "translates into one less route for employers seeking entry for migrant workers into Singapore, compounding the challenges of the acute manpower shortage".

She hopes the authorities will review and increase the quota of workers in view of the latest change, to ensure that workers can continue to enter Singapore through programmes with upstream testing or the Work Pass Holder General Lane.

Ms Chua said: "Additional costs of bringing in workers through these programmes will continue to be incurred, and we hope the Government can look into further support for contractors on this front."

Mr Lam Yi Young, chief executive of the Singapore Business Federation, said: "Businesses hope that the VTLs can be reopened to foreign workers soon or, failing which, the Work Pass Holder General Lane and ongoing industry initiatives can be further streamlined to facilitate the entry of foreign workers who are critical to operations."

Dr David Leong, managing director of human resources firm PeopleWorldwide Consulting, noted that stricter rules are needed to reduce risk of infection with the emergence of Omicron.

He said: "Dormitory situations in Singapore are more stable now under a tight... regime, and any incoming workers from overseas add new risk to the pool, particularly with the Omicron strain."

Also recognising the difficulties the companies face, he added: "With the additional costs plus having to pay more to retain workers, employers are really challenged on all fronts."

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MORE WORKERS NEEDED

> **There is nothing much I can do at this stage but continue trying to apply for foreign workers via entry approval. Currently, holders of existing work passes whose expiry dates are approaching are also asking for another pay rise, and we have... to let go of a few of them as their asking pay is almost double their current salary.**
>
> **MS SERENE PAN**, chief executive of Hitomo Construction, who expects 90 per cent of its upcoming projects to be delayed by two to three months.

Western leg of CRL may cut travel time to Ang Mo Kio, Hougang, Sengkang

FROM A1

According to the map, there will also be a new terminus station on the eastern leg of the CRL.

Likely to be located at the future Changi Airport Terminal 5, it appears to be an interchange that will link to a future extension of the Thomson-East Coast Line.

Construction has already begun on the CRL's first phase, which comprises 12 stations from Aviation Park to Bright Hill.

The 29km stretch will serve residential and industrial areas, including Loyang, Tampines, Pasir Ris, Defu and Serangoon North. It is expected to be completed in 2030.

A segment of the CRL will also extend from Pasir Ris to Punggol.

Announced last year, the four-station extension opens in 2032.

National University of Singapore transport infrastructure expert Raymond Ong said the western leg of the CRL will make the rail system more resilient as the proposed alignment will provide an alternative to the western section of the East-West and the Circle lines.

There are currently no rail lines that run parallel to those sections, Associate Professor Ong noted.

The CRL will also help to slash travel time between western Singapore and places such as Ang Mo Kio, Hougang and Sengkang by providing more direct connections, he said.

No dates have been given for when phases two and three will be built or opened.

Before finalising the alignment and the locations of the future stations, the authorities would need to check if there is space to accommodate the necessary infrastructure, Prof Ong said.

They will also need to consider if there will be sufficient demand, and this has to coincide with the longer-term plan for the area around the station, he said.

From an engineering standpoint, there is also a need to study how the soil around the proposed MRT line and stations will behave in order to ascertain what kind of engineering measures will be needed and how much they will cost.

Prof Ong said: "It is not so simple... We have to think about the development that will happen around the station, especially when we are talking about built-up areas."

First announced eight years ago in the 2013 Land Transport Master Plan, the CRL will be Singapore's eighth MRT line and is expected to reduce crowding on the existing East-West and North-East lines.

Linking major hubs such as the future Jurong Lake District and Punggol Digital District, the whole CRL is expected to have a daily ridership of more than 600,000 in the initial years, and over one million in the longer term.

Spanning the length of Singapore, from Changi to Tuas, it will be the longest fully underground rail line here and have the highest number of interchange stations, with almost half of its stations expected to serve as interchanges with other lines.

One major issue in the early planning stages of the CRL was whether a stretch between Bright Hill station and the line's western leg would run directly under the Central Catchment Nature Reserve or skirt around it.

After a two-phase environmental impact assessment for both alignment options, the Ministry of Transport decided in late 2019 that 2km of MRT tunnel will run directly underneath Singapore's largest nature reserve at a depth of 70m – the deepest any MRT tunnel will go here.

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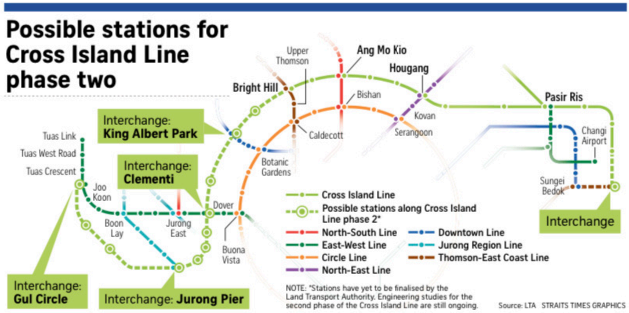


Source: LTA STRAITS TIMES GRAPHICS

Construction has already begun on the first phase of the Cross Island Line, which comprises 12 stations from Aviation Park (left, artist's impression) to Bright Hill. The 29km stretch, which will serve residential and industrial areas such as Loyang, Tampines, Pasir Ris, Defu and Serangoon North, is expected to be completed in 2030. PHOTO: LAND TRANSPORT AUTHORITY

THIS WEEK'S TOPIC

From a financial standpoint, should millennials (and Gen Z) in Singapore buy or rent their home?

Enduring security or transient shelter?

BT ILLUSTRATION: SIMON ANG

Lawrence Loh
Director, Centre for Governance and Sustainability
NUS Business School

The traditional thinking is that rent payments are wasted outlays but home ownership will bring capital gains. Sustained property price appreciation is not a given, so the financial balance may not tilt towards the purchase mode. The decision to buy or rent, particularly for the younger generations, will have to depend on various non-financial factors. These include location flexibility, job mobility and lifestyle choices. We have to weigh the trade-offs holistically. Indeed, a policy sacred cow we have to review is whether home ownership necessarily equates to a strengthening of the social compact, as this comes with both benefits and burdens at the individual level.

David Sandison
Singapore Practice Leader
Grant Thornton Singapore

Whatever your generation: Buy. Three reasons: Discipline, inflation, peace of mind.

The cash flow constraints of a mortgage mean enforced saving. It is cheaper to rent initially, of course. But human nature suggests you will spend the difference. So how do you save enough for the rent from age 65 to 90, which will have probably doubled through inflation by then – for the same place. And that is just at the beginning of retirement.

Pay off the mortgage though, and it is all yours. Even if everything else goes to hell in a handbasket, you still have somewhere to live. And that lifelong desire to have your own dream kitchen can be satisfied.

David Kuo
Co-founder
The Smart Investor

People who hope to capitalise on a rising property market should remember that the roof over our heads is our home. We do not need to own the asset for it to be so. Arguably, a rent-paying tenant may be better off than a mortgage-paying homeowner in the short term, because the outgoings are lower. But unless the tenant consciously saves the difference, they are unlikely to be better off in the long term. Homeowners will gain in the long run because they are forced to save through the discipline of a mortgage. But the danger then is that the home could become the biggest asset in an asset-rich, cash-poor retirement, which could open up an even bigger can of worms.

Long Jek Aun
Singapore Office Head
Simmons & Simmons JWS

Home is where the heart is. For millennials (and Gen Z) who are committed to building their long-term future in Singapore and ultimately settling down and retiring here, there are strong reasons to buy their home – of course, buy within one's means. If possible, seek to get started on the home ownership ladder and build from where one stands financially. If not, then renting can be the starting point and, should it ever be an option in the longer term, save towards that first home. Start somewhere, from where you are.

Giselle Makarachvili
Chief Executive Officer
Hmlet

Over the past 2 years, a combination of factors, including the need for more privacy and space, has led to millennials and Gen Z embracing renting. And now that they have got a taste of independence, individuals are more confident about leading "asset-light" lives.

Indeed, with increasing property prices, the burden of mortgage and the rise of flexible living alternatives (especially if work-from-home-friendly), the advantages of renting are apparent to many and result in the most financially viable option in today's climate.

Jeffery Tan
Group General Counsel and Chief Sustainability Officer
Jardine Cycle & Carriage

In many respects, the purchase of a leasehold property is already a form of "rental" – limited to a fixed period of ownership, for example, 99-year leasehold properties. The advantage ownership offers over a pure lease is the residual value on the purchased property and its potential for capital appreciation.

For millennials and Gen Z who live in Singapore, it would make financial sense to buy instead of renting their homes.

For those who may subsequently decide to live and work abroad to satisfy their appetite for global experience and exposure, one wonders, whether from a selfish Singaporean policy perspective, we should also actively encourage ownership over rental – if only to ensure they have an "asset anchor" to Singapore: That way, when their overseas living and work journeys end, any desire to return home will have the assurance of a roof over their heads on this little red dot.

Helen Ng
Chief Executive Officer
Lock+Store

Millennials should rent their first home if they have not experienced living independently before. This would equip them with an awareness of home maintenance costs. Only then can they make an informed decision about home ownership. Given the risks for future inflation, they should still aim to buy their home.

Victor Mills
Chief Executive
Singapore International Chamber of Commerce

Whether you choose to buy or rent a home depends on many factors: affordability, income and personal preferences for location. Singapore citizens have an advantage not enjoyed by citizens of most countries: affordable, well-built Housing Board flats subsidised by the taxpayer. It makes sense for citizens to buy a HDB flat, provided they remember they are not buying a guaranteed, appreciating asset. Renting a home is a choice which, obviously, does not provide the potential upside of property appreciation, but does provide protection from maintenance costs and any drop in property value. Most people choose to buy because of the potential upside property ownership currently offers.

Chia Ngiang Hong
President
Real Estate Developers' Association of Singapore (Redas)

Home ownership is a long-term investment and a major financial commitment for many. Given land scarcity in Singapore and its economic development and position as a global financial and business hub, millennials (and Gen Z) in Singapore have to consider carefully their financial planning and capability/constraints, as well as their current and expected future circumstances when deciding to buy or rent a home. My take is that renting a home could be an interim alternative for those who are constrained financially, or it could even be a viable business model to cater to those who prefer an asset-light lifestyle. Ultimately, the decision to rent or to own a home is not just financial; it is also about aspiration and your vision for your future and family.

Laletha Nithiyanandan
Managing Director
Behavioural Consulting Group

If home ownership is a basic tenet in Singapore, then there is a huge disconnect, as most people actually do not own their HDB flats – leasehold is but another way to describe "rental" over a longer period. Gen Z can see through this and will not buy it. Gen Z is more likely to rent, and they should; there are many places they can live outside Singapore that are more affordable. It makes sense to live in a nicer property than to stay in a "shoebox" you own, especially when you do not really own it in the first place. Financially, it makes sense for Gen Z to invest in enriching experiences, education and networking, as the world is more accessible to them.

Gavin Chia
Managing Director
Futu Singapore

The pursuit of property has many paths. A home purchase usually requires significant down payment and long-term mortgage commitment. Some choose to rent and reallocate their capital towards more liquid investments like property stocks and funds, as well as Reits, which could offer faster and greater investment returns compared to home ownership. In fact, we have observed growth in investing on our moomoo platform, and for the quarter ended Sep 30, our total and average client assets in Singapore increased sequentially, up 52.4 per cent and 11.5 per cent respectively. Ultimately, the approach towards property will be guided by the individual's comfortable spot between current liquidity needs and future financial goals.

Mohd Ismail Gafoor
Chief Executive Officer
PropNex

In Singapore, home ownership has always been a source of pride for many Singaporeans. Apart from having a roof over one's head, a property is a tangible legacy that one can pass down to future generations.

For young Singaporeans, the entry barrier in purchasing a property is low due to our public housing policies, which have been designed to make housing affordable – some features include subsidised housing prices and generous government grants.

One of the biggest benefits to owning a property is that it is a good store of wealth that can keep pace with inflation. Property prices have largely been stable as Singapore is land-scarce and demand for housing will always be resilient. Many of our parents and grandparents have benefited greatly from owning a property, and this will continue to be the case. For millennials who are still considering whether to rent long term or buy a property, I strongly recommend the latter.

Dileep Nair
Independent Director
Thakral Corporation

For long, whether "to rent" or "to buy" was not a dilemma for most Singaporeans. Home ownership policies that gave large subsidies, allowed the use CPF funds and provided well-designed flats, have made owning public housing invariably more attractive, especially for young couples. Mores, however, change with demographics. Millennials, and certainly Gen Z, are more financially savvy, seek independence and are more itinerant. They are comfortable handling their own investments, setting up their unique family home, and relocating with changing circumstances. This makes renting a home appear more attractive. Simulations, however, do not show a clear-cut financial advantage of renting over buying. With roughly balanced pros and cons, the decision ultimately rests on the individual's personal priorities and stomach for financial risk.

Moray Armstrong
Managing Director
CBRE Singapore

In the current low interest rate environment, buying a home may make more financial sense, as the interest cost is lower than the rental yield. However, buying a home involves a hefty upfront down payment and significant long-term mortgage commitment, which may not be affordable or appealing to some young professionals. As the gap between house prices and earnings growth of young professionals widens, this could potentially lead to a shift in mindsets from owning, to leasing properties. Renting of properties via co-living arrangements or through traditional leases, could then become a preferred option for those who seek affordability, variety and flexibility in their housing requirements. Co-living, in particular, provides young singles with the instant gratification of furnished spaces, the convenience of flexible lease terms, and variety of choice locations. Ultimately, which option is best for millennials and Gen Z is more than financial considerations, but also their vision for their life and cultural mindset, among others.

Kelvin Lim
Executive Chairman, Executive Director and Group MD
LHN Group

With property prices set to rise, it may make better financial sense for millennials and Gen Z to rent a home, particularly if they are in a transitional period of their life. In fact, co-living has emerged as an extremely popular alternative living arrangement among this group – our Coliwoo concept has seen a 10 per cent increase in demand from them since pre-Covid.

Renting a co-living space in key locations can be more cost-efficient, averaging some S$2,500. In comparison, renting an apartment of a similar size and location can come up to S$3,300. In addition, co-living membership fees are all-inclusive – taking into account aesthetically designed interiors, furniture, Internet connectivity, utilities, housekeeping, and shared facilities such as gyms and lounges. We do foresee the demand of co-living spaces to further rise among millennials and Gen Z, as they also turn to these flexible living arrangements for convenience, a sense of community, and more.

Peter Young
Co-founder and CEO
Q Investment Partners (QIP)

Although Singapore's housing policy continues to drive a culture of home ownership, we can expect this to change to a renter's model due to shifts in customer preferences, as well as the economic reality of housing affordability. Globally, as accommodation and ownership costs have risen in major cities, tying a large amount of capital into a single, illiquid asset has become a less attractive option.

In other developed markets, we have seen increasing demand for dynamic rental options, which can offer the best value and flexibility in line with the needs of individual demographics – that is, students, the elderly and families. Niche real estate investments in student housing, co-living and senior housing have therefore become an institutional real estate asset class.

As the culture of living changes, younger Singaporeans should seriously consider similar rental accommodation solutions best suited to their needs, while those looking to invest in the market, both overseas and at home, should also recognise this change.

Mario Singh
Chief Executive Officer
Fullerton Markets

I have had several conversations with millennials and Gen Z around this issue, and from what I gather, many end up renting because of a push/pull factor.

Cost is the push factor. Based on recent November prices on HDB's website, a 4-room Build-To-Order flat in Kallang/Whampoa area would set you back about S$466,000, including grants. If it were a resale unit, the price range would be S$630,000 to S$754,000. Those who are starting out in their careers would find these prices challenging and hence end up renting instead.

Next, the pull factor. There is a growing group of financially savvy millennials and Gen Z who might have the means to buy their own home, but choose to deploy their cash in other assets like stocks, currencies, crypto and non-fungible tokens, instead. They do so because they know that these assets would give them a better return for their money compared to tying it up in a home, and end up renting as well.

Henry Tan
Group CEO
Nexia TS Group

Buy or lease has been an "Economics 101" question for many assets including property. It is not a straightforward answer as it depends on one's preferences. If we are looking at principal protection, buying a property will achieve that. However, it may come at a sacrifice of location or size of the property due to affordability. If we rent, we may be able to get a property in a better location, or a larger apartment if we are not concerned with expensing the rental. Another point that may become a factor is culture. Traditional Asian culture may value home ownership highly. A mobile young person may value this less and prefer flexibility and mobility. So my conclusion – it is more a choice and preference than a case of what makes business sense.

Maren Schweizer
Chief Executive Officer
Schweizer World Group

Future inflation rates are significant decision-making criteria, and owner-occupied real estate held long term are a remarkably effective tool to hedge against inflation. Furthermore, the window to secure low fixed-rate mortgages remains open for the time being.

The demand side is expected to stay strong for residential well-located, good-quality properties due to decentralisation driven by work-from-anywhere and digitisation, among other factors.

Nevertheless, it remains essential to keep one's expense ratio (all cost of ownership versus income) below 40 per cent, as well as a financial buffer of around 6 months of income.

Toby Koh
Group MD
Ademco Security Group

Property is still etched into Asian mindsets as the safest long-term investment. However, smart investment in a diversified portfolio of stocks, bonds and alternative instruments has also proven to outpace the capital gains of property. Younger investors are increasingly turning to non-property assets as a means to increase wealth at a faster rate. There is no right or wrong. We own our investment decisions and strategy.

Lim Soon Hock
Managing Director
PLAN-B ICAG

Whether to buy or rent is a question of affordability. If a Gen Z can afford it, buying would be preferred, as the rentals can go towards paying for loans. From the financial standpoint, in land-scarce Singapore, property can only appreciate in value over the long term, so it makes sense to own at least 1 property. The government should continue with the key housing strategy to promote home ownership. That said, given the escalating cost of property, the government should build more rental flats to allow those who cannot afford to buy, to rent for now, as a stop-gap measure.

It may be less expensive to own property now than in the future. Perhaps the government can consider allowing part or all of rental payments to be used towards the cost of buying a flat later on. This would be an irresistible incentive for Singaporeans to own a home. It is a fact that many millennials aspire to own their dream homes, yesterday, today, and tomorrow.

David Leong
Managing Director
PeopleWorldwide Consulting

The Pew Research Center's finding that millennials in America prefer renting to owning is due to a simple reason – affordability. America's public housing policy is vastly different from Singapore. Home ownership is a crucial tenet of Singapore's social compact. This strategy builds on our social cohesiveness and integration.

Singapore's housing strategy is fundamentally distinctive and has political and social implications. The government will continue to make HDBs accessible and will moderate the pricing to ensure that public housing remains affordable to the larger population. Increasing the stock of private rental units typically serves the needs of expatriates.

The perspective that the millennials and Gen Z in Singapore tend towards renting like their US's counterparts is unlikely to have traction because of the difference in contexts and circumstances. Financially, owning a HDB in Singapore will be accessible and affordable with grants and financial assistance by the government.

Zaheer K Merchant
Director, Corporate Affairs
QI Group of Companies

A millennial's perspective on property is, generally, to have flexibility, communal/co-space living, coupled with differing goals and needs. So affordability aside, if these aspects are "satisfied", they would have no issue renting a home. It frees them of maintenance, upkeep, oversight, taxes and other risks (financial or otherwise) associated with ownership. Some 26 per cent of millennial homeowners aged between 25 to 31 regretted their purchase of a property. To me, however, there is no right, wrong or absolute answer. It comes down to the availability of property for rental or purchase, and cost, as this ultimately will make the decision for millennials especially in property-expensive Singapore. Each individual will gauge this based on his/her upbringing, financial understanding and position, empirical considerations in observing their relatives/peers, and then shape their own aspirations.

Jolin Nguyen
Managing Director
AYP Group

Investment gurus and property experts will have us believe that investing in property is the be-all and end-all path to riches and solid retirement. As new evidence emerges to challenge this assumption, much of the wisdom of older generations is due for testing. As the adage goes, the proof is truly in the pudding. The challenge for Gen Z is to decide for themselves, whether the wisdom of the past (that is, home ownership) is an idea that will stand the test of time, or if there are better alternatives in this age of rapid change.

Dora Hoan
Group CEO
Best World International

Most Singaporeans aspire to own a home. But this asset-building approach is now being challenged with rising prices outpacing one's salary growth. However, compared to, say Hong Kong, Singapore's public housing is still affordable, thanks to government interventions and the various cooling measures.

I feel that millennials (and Gen Z) in Singapore should still aspire to own a home, and the government should continue to make public housing affordable with the various policies, schemes and cooling measures to contain prices, especially for Singaporeans. This way, at least they still have a home. Home ownership gives one a sense of belonging and identity in one's own country. It will also help the country avoid the extremes of poverty often seen, even in affluent societies. With a secure roof over their heads and a tangible asset they can rely on for retirement, millennials will be able to fully focus on family building without worries.

THIS WEEK'S TOPIC

Is the business model of a huge, diversified conglomerate on its way out?

Strategy trumps size

Lawrence Loh
Director, Centre for Governance and Sustainability
NUS Business School

Corporate strategy has been fixated on focus. The business mantra is to stick to the knitting. Do more of the same and you get economy of scale. Yet there are merits of variety in the product offerings – there is also economy of scope. We are all too distracted by failure stories of conglomerates such as General Electric (GE) and Toshiba. Yet there are success stories in Amazon and Microsoft. In the new digital era, we are seeing formidable aggregate approaches in mega-platforms such as China's WeChat and even super-apps such as Singapore's Grab and Indonesia's GoTo. Actually, the problem is not about the conglomerate model. It is about having good strategy.

Victor Mills
Chief executive
Singapore International Chamber of Commerce

Not necessarily. There will always be conglomerates which make commercial sense and provide attractive returns for their shareholders and stakeholders. Nothing remains static in business, especially when dealing with endemic Covid-19. Businesses will make decisions about divesting business lines or spinning off companies either for tax or regulatory reasons or when they no longer have the advantage of scale; or when they decide to refocus on core competencies and markets. Another key reason some conglomerates decide to downsize is because they simply have become too hot to handle – too difficult, complex and costly to control, manage, lead and strategise for.

John Bittleston
Founder and chair
Terrific Mentors International Pte Ltd

No, the business model of a huge, diversified conglomerate is not on its way out. The format may be changing but the need – and inclination – to cooperate will still insist on huge businesses dictating the business scene and an increasing amount of the political scene. Given the weakness of worldwide politics, I think that is a good thing. Additional pressure to cooperate is exerted by the current supply chain chaos.

Admittedly that may be short-term, but not as short-term as many are saying. When change quickens pace, forecasting is slow to follow. Big business power is here to stay and grow.

David Kuo
Co-founder
The Smart Investor

Conglomerates are predicated on the ability of large corporations to allocate internal resources to their subsidiaries efficiently. The assumption may not be true in all cases. But those that can are in a good position to weather economic and business cycles. We should be careful about tarring all conglomerates with the same brush. It is not always true that the sum of the parts is greater than the whole. We should be careful to avoid throwing the baby out with the bath water. Before jumping on the break-up bandwagon, we should ask why there is no antonym for the word "synergy".

Marcus Lam
Executive chairman
PwC Singapore

Traditional large conglomerates have been around for a long time and as the world shifts in profound ways, they are facing pressures from their boards, shareholders and activists to pivot or reposition to grow in the areas of digital and environmental, social and governance (ESG) to compete more effectively on the global stage. No business model is evergreen, and companies must continuously adjust their focus to be fit for growth. Big Tech companies are comparatively young and more agile in how they adapt their models to capitalise on new growth opportunities. They also have the advantage of being able to leverage their tech and innovation.

Ramesh Singaram
President
GE ASEAN & ANP

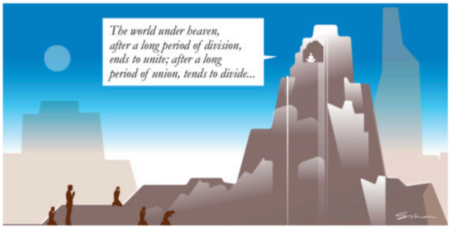
I've been in GE for 27 years and have been part of the many changes. I'm excited that we're creating 3 independent, investment-grade industry leaders in key sectors that are very much connected to GE's purpose of building a world that works. Each of them will contribute to the world's urgent needs in energy transition, precision healthcare, and future of flight. We've made a lot of progress in recent years and are now in a stronger position to take the next step in our transformation. We've listened to our customers who want and need GE at its best. I'm confident that this is the right next step for GE in this moment, to position each company for future growth, realise their full potential, and provide value for all employees and stakeholders in each business.

Leon Perera
Chairman
Spire Research and Consulting

The business model of a huge diversified conglomerate spanning disparate industries and lines of business is almost certainly on its way out. This trend is being driven by investors, who prefer companies to have a single, clearly defined business model and industry centre-of-gravity that they can understand and work into their portfolio management processes. However, conglomerates that are integrated within a single broadly defined industry space may still have a future – for example, a vertically integrated conglomerate or one with linked adjacent business lines, such as advertising and news. The key is whether the conglomerate's various jigsaw puzzle pieces synergise and combine to form a cohesive, well-defined picture about what industry and market that conglomerate plays in.

Jeffery Tan
Group general counsel
Chief sustainability officer
Jardine Cycle & Carriage

Many conglomerates have their roots in innovation and inventiveness, giving rise to new sectors of businesses. As these businesses grew and became giants, the accompanying stability and stature were often achieved at the expense of agility – traded in for 'corporate sluggishness' and the inability to react quickly to fast-changing commercial landscapes and new challenges, thereby posing a threat to the existence of the conglomerates.



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One interesting perspective on how large organisations can remain nimble and relevant in a fast changing world was offered by the late entrepreneur Ross Perot. Although speaking specifically to the business of the behemoth General Motors, it is probably worth repeating, as his words provide insight to all conglomerates: "Revitalising General Motors is like teaching an elephant to tap dance. You find the sensitive spot and start poking."

Magnus Grimeland
Founder and CEO
Antler

In traditional industries where there are fewer technological advantages with operating across multiple industries, a demerger might make sense to increase shareholder value and focus. However, in most emerging businesses where you can leverage technology, platforms, customer acquisition etc across different verticals (as with Grab and Sea Group, for example), large diversified conglomerates (or super-apps) are very much thriving and on the way in.

Svend Janssen
Head of Asia Pacific & Japan
Nuix

Within-industry diversifications are well-proven means to grow and de-risk a business. For multi-industry conglomerates, it clearly depends on the level of synergy and scale the combination of entities brings. Are there shared resources? Is there a strong corporate centre that drives cross-business innovation and sales? If one core owner is the only common denominator, a demerger might well increase the agility of the individual businesses – and so the overall growth.

Agnes Cai
Chief executive officer
Foord Asset Management

Conglomerates will still have a place in this new era of business. Firms such as Johnson & Johnson (J&J), diversified across pharma, medtech and consumer, limit volatility to their top and bottom lines as well as cash generation abilities without restricting their abilities to grow faster – highlighting benefits to, as well as continued relevance of, the conglomerate model.

Nevertheless, separating into disparate businesses as a means to increase focus also has advantages. While this may increase the cyclicity of a business, it also allows for more focused strategies and stronger capital allocation, as seen in the recent break-ups of Danaher and Dow-Dupont.

Yean Cheong
Executive director
SGTech

Historically, growing larger meant companies could derive more significant benefit from economies of scale, market access and ability to out-invest in research and development (R&D) and innovation. However, rapid digitalisation, software as a service, remote and gig work, and the Internet economy have upended business models. What was once out of reach to smaller businesses is now accessible to the masses. Being large does not provide the same benefit anymore. Instead, it may pose a greater risk from geopolitics, environmental, border and labour issues. Marrying a small size with innovative startup agile-type work styles today, small could be the new big.

Dileep Nair
Independent director
Thakral Corporation Limited

Complexity demands specialisation. Today's enterprises are engaged in increasingly unique and highly differentiated lines of work. It's vital to have a razor-sharp focus on the business. Speed of decision-making, empowerment, as well as resource allocation are critical. Diversified conglomerates do not enjoy these attributes. Even the benefits of synergy and lower volatility because of a diversified portfolio that conglomerates have are often outweighed by the lumbering bureaucracy and infighting that goes on. Pure plays do outperform diversified companies over time. The Bloomberg US Spin-Off Index, comprising companies spun off from larger companies, has outperformed the S&P 500 Index over 15 years. Even the Big Tech companies that seem to be thriving are drawing regulatory fire for extending their reach too broadly. They risk being broken up. It pays to stick to your knitting.

Chia Ngiang Hong
President
Real Estate Developers' Association of Singapore (REDAS)

The demerger trend will likely continue, driven by rapidly evolving technology, shorter product cycles, more intense competition and activist shareholders' demand for higher and quicker returns. A spin-off's value proposition can be quite compelling. Demergers can resolve many issues associated with huge conglomerates such as excessive bureaucracy, lack of nimbleness, and poor capital allocation. These disadvantages are exacerbated by the potential benefits of demergers – namely tax benefits, sharper management focus, stronger desire of spun-off entities to succeed, and increased market transparency allowing for higher valuations. However, for conglomerates which operate in highly synergistic areas that build on and benefit from each other, the business case for remaining large may be stronger. This is most evident in Big Tech, whose operations in myriad software- and hardware-related areas are complementary and mutually reinforcing. There is thus no one-size-fits-all model for the continuity of all large businesses.

Ian Chapman-Banks
CEO and co-founder
SQREEM Technologies

Diversification and demergers are effective corporate strategies in their own right when applied at the right stage of growth. For conglomerates such as J&J, where divisions have a larger market capitalisation than their parent company or deal with vastly different market segments, the decision to demerge could increase value to stakeholders. As long as each division has a healthy cash flow and is big enough to stand on its own, demerging could collectively increase value compared to when they remain combined. Demerging also allows each entity to shift its focus to specific market segments, leading to more efficient allocation of resources and competencies.

Mario Singh
Chief executive officer
Fullerton Markets

There are certainly benefits of maintaining and growing a diversified conglomerate. One key advantage is the ability to maintain various income streams regardless of economic conditions. As an example, businesses focused on specific sectors such as travel, food and beverage (F&B) and events are the hardest hit during the current pandemic. A conglomerate of various business units would be able to hedge their risks and still ride out the storm.

That said, there are at least 2 reasons why conglomerates choose to break up. Firstly, it allows them to reduce inherent costs and inefficiencies. Secondly, separation of business units can allow each entity to drive more value without the risk of being pigeon-holed into any broad category vis-a-vis a conglomerate.

Ultimately, the decision on whether to grow or break up lies in how the future plans of the conglomerate dovetail with the macro trends of the global economy. There is no one-size-fits-all.

Sanjeev Kumar
Senior country manager for Singapore and head of SE & South Asia
Natixis

So long as conglomerates have the ability to release the full potential of all divisions and businesses for stakeholders, we will continue to see their existence – whether this be in the traditional sense of the industrial conglomerate, or the Big Tech variation. For me, success boils down to allowing the divisions or businesses to operate as their own entities, with the backing and, where appropriate, guidance of the holding company. This is not dissimilar to our multi-boutique merger-and-acquisition (M&A) business at Natixis CIB – strong management teams with local knowledge and expertise backed by the global footprint and financing capabilities of Natixis. This blend of big banks and boutiques has allowed our business to thrive and remain resilient.

Lex Lee
Chief strategy officer
TOP International Holding

A diversified investment portfolio is a fundamental risk management strategy. What we are seeing is a trend of profit-taking by divestments, reorganisation of groups into leaner and more efficient entities, as well as prioritising potential faster growth over steady growth.

This means that a more evolved conglomerate needs to address these points, and learn from the models of tech giants to create more value. An example is Apple which created an ecosystem with its core business (iPhone) at the heart providing leverage to diversified businesses (smartwatch, mobile gaming etc). In short, diversified conglomerates need to up their game.

James Chan
CEO and founder
ION Mobility

Technology-induced disruption is the great leveller that easily elevates new-age fast-growing firms that can capitalise on shifting trends to serve new demand. As such, it threatens the incumbency of established big companies that see the need to demerge to respond more nimbly and compete.

Differences between companies in their organisational dynamics (such as leadership style, innovation, management and employee culture) also play a role in determining whether these big companies can sustain multiple business lines as the likes of Sea Group, ByteDance or Meta have done, or demerge so as to give breathing room for them to reinvent themselves.

However, even these new-age big companies are not immune and have to respond quickly and multiple times to shifting trends. Take Meta for instance, which has had to acquire WhatsApp and Instagram to stay ahead of the game. This cycle shall continue and affect all companies at some point in time.

David R Hardoon
Managing director
Aboitiz Data Innovation

The business model of conglomerates is morphing to match the relevancy of our times. The ability to share data across businesses will define the conglomerate in years to come. ADI is tapping the wealth of data from Aboitiz Group's diverse interests to allow quicker and better decision-making and find synergies across its businesses. By using a 'try, test, and fail' approach to data projects, the group's business units across the power, land, infrastructure, food, and banking, are serving as an ideal testing ground for operationalising artificial intelligence (AI). One such case being using electricity bill data to predict credit scores.

Toby Koh
Group MD
Ademco Security Group

The diversified conglomerate is history as investors see the value of commercial and industrial plays focusing on a smaller and more aligned core business model. Having said that, the diversified software platform conglomerate will emerge in the future. Data will be easily synchronised and create immense value for such conglomerates and their clients. Data, content and platforms will reign.

Jolin Nguyen
Managing director
AYP Group

The break-up of major conglomerates is a tribute to the common phrase in business that "change is the only constant". The zeitgeist of business today seems to favour the model of tech firms that are smaller in size and leverage heavily on technology to improve business outcomes.

While traditional conglomerate businesses are undergoing rapid change through corporate exercises and restructuring, we cannot help but observe that technology companies are the ones that are leading the charge in terms of M&As. This shows the importance of innovation in business and how technology presents great opportunities for businesses that leverage them well.

David Leong
Managing director
PeopleWorldwide Consulting Pte Ltd

This trend of portfolio simplification to shake up the whole into viable parts is necessary to recover shareholders' value when the market undervalues the conglomerates' worth. A conglomerate discount is the tendency of markets to value a diversified group of businesses and assets at less than the sum of its parts.

Each viable part that is hived off can independently exist and may prosper with better and higher valuations. In such cases, when J&J, GE and Toshiba decide to break up, they do so with economic rationality and inherent worth rationalisation.

Conglomerate construction and demerger are part of a vacillating pattern relevant for a time. When businesses seek growth, they are likely to look into unrelated businesses for diversification, to mitigate risks to grow sustainably. When they become an unwieldy conglomerate with different focuses and weights in other sectors, the sums of the parts may be more than the whole. This is the trigger point for a break-up to happen. So this is not a trend. It's just a cyclical phenomenon.

Lim Soon Hock
Managing director
PLAN-B ICAG

The business model of a huge, diversified conglomerate is certainly not on its way out. It will remain as companies expand over the years through diversification or acquisitions in pursuit of growth, profitability, and better returns for shareholders. It was even fashionable in the 1980s for big companies to merge to become mega-companies.

When GE, Toshiba, and J&J – and AT&T in the past – break up into multiple entities, the board or shareholders must have decided that it is a more effective and efficient way to increase returns for shareholders. Each spin-off would be able to focus on its respective business and have the critical autonomy to reshape, reinvent and reallocate to take the business to new heights.

Big companies should not be stuck in the status quo, get sluggish or cruising, and should do what is necessary to achieve unstoppable growth – that is, unlock the full potential of each of its entities. Breaking up is one strategy to increase returns for shareholders.

Terence Zou
Founder and CEO
Ryde

It depends, in part, on whether companies can create value by making use of data seamlessly across business segments as they grow. Huge diversified industrial conglomerates may previously have grown in size due to cheaper cost of capital and cost savings across functions. But they may not have been able to capitalise on using data effectively across segments to increase business synergies. For instance, GE's healthcare and aviation businesses probably have very little synergies, if at all.

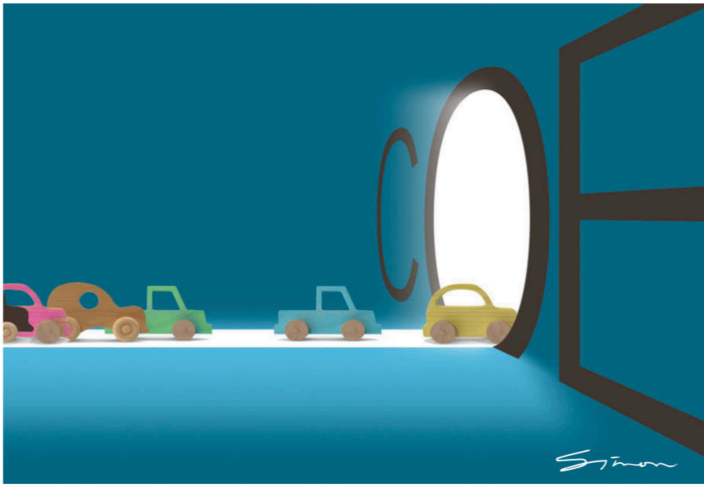
At the same time, large tech firms have emerged due to the ability to use data effectively across business segments. For instance, they can leverage on the 'flywheel of data' as they scale, as opposed to merely achieving cost reductions by economies of scale. Take the Amazon flywheel for instance, where it moved from selling books to selling and delivering everything else within the Amazon network.

The full list of views is available at http://businesstimes.com.sg

THIS WEEK'S TOPIC

Is the vehicle COE system still fit for purpose? Should it be tweaked or revamped, and if so, how?

Road usage versus car ownership



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Lawrence Loh
Director, Centre for Governance and Sustainability
NUS Business School

There have been many suggestions and reviews on the time-honed COE (certificate of entitlement) system. It appears that the model has reached a steady state. If we were to stick to the fundamental objective of car population control, a market-sensitive system like COE works well. But going forward, we should move more to a usage-based scheme rather than the ownership-based COE system – this is fairer and reflects infrastructure utilisation better. If the road pricings can be changed, the market will make corresponding adjustments to the COE prices accordingly. We should then shift our paradigm from controlling car population to car usage. Indeed we should be pricing road congestion, not car ownership.

Jeffery Tan
Group General Counsel
Chief Sustainability Officer
Jardine Cycle & Carriage

COE prices have risen dramatically as a result of increasing demand outstripping limited supply. Can we innovate and re-imagine COE as an optimised road usage system that is not restricted to a single vehicle but on a shared basis?

Currently, every COE is attached to a specific car. The premise is that a car can be driven at any time – at all times – during the COE period. The reality is that many cars are left parked and not utilised for long periods of time.

What if we piloted a new class of COEs that allowed the certificate to be "shared" amongst a pool of cars: At any point of time, only one car with the "shared COE" can be driven, while the others in the pool need to be left unutilised. Easily enabled by technology and reflective of today's shared economy, this can widen access to the car ownership dream, enhance vehicle usage – possibly tempering COE and car prices – achieving an out-of-the-box win-win outcome?

Victor Mills
Chief Executive
Singapore International Chamber of Commerce

The COE system works because limited supply plays to our collective fear of missing out. Instead of everyone bidding low, people bid higher and higher especially when the COE supply is reduced. The system is fit for purpose as a wealth tax and to control the number of vehicles. I am not convinced using vehicle open market value as a basis for bidding would result in happier consumers when consumer behaviour is unlikely to change. There would be more bids for cheaper vehicles and probably more expensive COEs – unless everyone bids low. There would be fewer bids for very expensive vehicles and, possibly, cheaper COEs – unless there were mechanisms to prevent this.

Chia Ngiang Hong
President
Real Estate Developers' Association of Singapore (REDAS)

Although the quota system has been fine-tuned many times over the years to curb vehicle population growth in Singapore, the number of registered privately-owned cars continues to grow and COE prices remain volatile, pushing prices of cars upwards and inflating their actual value.

There is a need to fix the COE system to preserve its primary intent of maintaining a car-lite and liveable city and improve its usage disincentives. For one, introduce a penalty system for unused COEs, and non-transferable policy for all COEs including for commercial vehicles, motorcycles and the Open category.

Also, all COEs must be used within a shorter period. These measures will help to curb speculative bidding in those categories. A car is generally the best choice when it comes to daily commutes, offering the convenience to run errands and transport family members, young and old. There is a balance to be struck between the social costs of car ownership and retaining the option to control car population without price volatility, especially in the context of Singapore's planning of a more sustainable and cleaner-energy vehicle vision.

Dileep Nair
Independent Director
Thakral Corporation Limited

Our COE system has kept gridlock at bay. Unlike many other cities, we are spared the high economic and health costs of traffic congestion as vehicle growth is controlled. COEs may not be the perfect way to allocate a limited resource. Questions of equity arise when the bidding price of COEs soar and appear affordable only by the rich. However, any other method of allocation based, say, on perceived need or by lottery, is fraught with complications and administrative morass.

Although car ownership stands at about 11 per cent, it is not a basic necessity. Far more important is having an efficient and extensive public transport system that includes even public car sharing schemes. Also, with annual COE revenues of about S$3 billion, our buses and trains should be made free for all.

David Kuo
Co-founder
The Smart Investor

Singapore's COE system is doing precisely what it is supposed to do, namely, to control the number of cars on the roads. The question is whether it is entirely fair that a "cheaper" smaller-engine car is disproportionately penalised over a pricier, more powerful vehicle in the same category? Wouldn't it be fairer if the Open Market Value (OMV) of the car is used instead? It might seem logical. But that would be tantamount to pushing on a piece of string.

As motorists chase a limited supply of entitlements for cheaper vehicles, it could make those COEs more expensive. It could even result in a 1600cc Japanese runaround being more expensive than a 3.5L German limo. That would be preposterous. Don't try to fix what ain't broke.

Toby Koh
Group MD
Ademco Security Group

The ownership of private cars can be both a necessity and luxury. It is also a component to the quality of life many expect in Singapore. The cap on vehicles should be relooked at in conjunction with the planned in-car dynamic road pricing system. A more robust and comprehensive system needs to be developed so optimal usage of our roads is achieved. Families who would like to take an off-peak hour road trip in the evenings or weekends should not be deprived of this through increasingly high COE prices. Pay-as-you-drive and in accordance with traffic conditions will mitigate car ownership. Besides, our public transport is a good alternative too.

Lim Soon Hock
Managing Director
PLAN-B ICAG

The vehicle COE system has outlived its purpose. With today's technologies, a fairer and more acceptable system would be to replace it with one based on a "pay as you use" our roads model. The road toll can easily be differentiated based on location – for example, higher charges in the city compared to outlying areas – and time, ie peak versus non-peak hours.

In such a system, it is not so much to control the car population, but more to use fees to regulate traffic flow, density, and usage of motor vehicles. When fully supported by an app that gives updates on traffic conditions in real time and recommends the optimal route to take, it can also contribute to decarbonisation, at least over the next decade, until electric vehicles become the norm. Moreover, people could also be encouraged to use public transport, and perhaps see no need to own a car.

Pay-as-you-drive, complemented by an efficient and cheap public transport system, would make for a more equitable model for car owners.

Maren Schweizer
Chief Executive Officer
Schweizer World Group

It's essential to design the COE system along the polluter-pays principle. A life-cycle assessment, taking into account a vehicle's lifetime carbon footprint, can serve as a methodology that includes all CO2 emissions in the manufacturing, driving, maintenance and recycling phases. The resource input and emissions are calculated for all materials and processes, and aggregated as a result for the production, maintenance and recycling of the vehicle.

Additionally, we have to consider the CO2 footprint of our mobility-related infrastructure in Singapore. At the same time, electricity from renewable energies in the use phase remains one of the most critical building blocks.

Digitisation makes representative and up-to-date data increasingly available. Carbon offset price levels can be factored into the COE pricing models. So should good behaviour – for example, the number of passengers per ride as a potentially variable pricing component.

David Leong
Managing Director
PeopleWorldwide Consulting Pte Ltd

The COE system is still the best means for pricing scarcity. Over the years, this progressive system has kept the vehicle population at bay. The mechanism can be further tweaked to reflect Singapore's status as a wealth hub. As we are attracting wealth to Singapore, the demand for bigger luxury cars will be high. For this category, the COE premium can be high since the demand from these ultra-high net worth individuals is inelastic. These COEs should be based on the vehicle engine capacity with a minimum OMV benchmark.

A green (environmentally-friendly) COE category should be created for perhaps electric cars. This should be only for mass market vehicles; luxury marques must be excluded from this category. Overall, the COE system is still a good and viable tool for controlling the vehicle population.

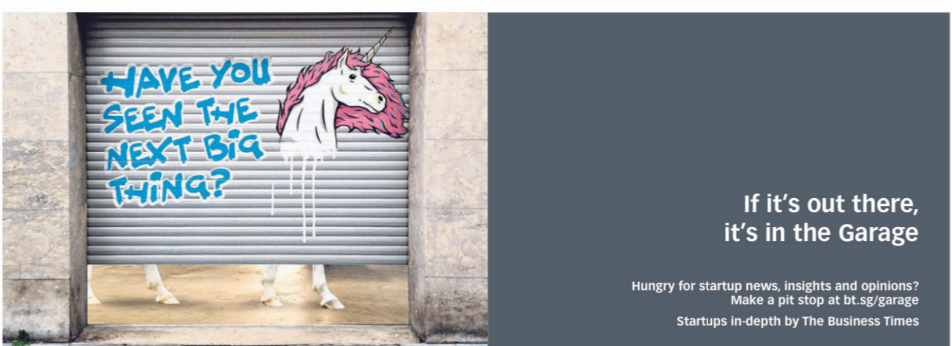
Zaheer Merchant
Director – Corporate Affairs
QI Group of Companies

It didn't take long for COE prices to skyrocket. Over the years, we have seen variations of this on a sliding scale. Coupled with taxes – road tax, ERP charges – car ownership is ridiculously expensive in Singapore. Oddly, we have a fantastic public transport system. Yet car-ownership aspirations abound. Tweaks like more and cost-effective transport service providers, education on "greening", and cycling lanes may reduce car ownership.

Overall, we must look into alternatives to the COE system altogether. With decarbonisation or electric/hybrid incentives, pay-per-use road utilisation modalities, proper rebates for those who actually need vehicles (not for the towkay who can afford 7 cars) and penalising over-ownership (like for property), we may just have other viable options.

Jolin Nguyen
Managing Director
AYP Group

Singapore's limited space means that car drivers here would need to contend with higher car prices when driving in our city-state. While this isn't ideal for those who aspire to own a car, it presents Singaporeans with the greater opportunity to explore other avenues that they can spend their money on in developing a higher quality of life. Perhaps a better COE system can be developed but it would require time and deep engagement with all stakeholders involved.



Must-reads

THE BIG STORY

S'pore joins international alliance to phase out coal

Singapore yesterday joined the Powering Past Coal Alliance, an international coalition of countries, cities, regions and businesses that promotes the transition from coal to clean energy. Singapore's membership was announced by Minister for Sustainability and the Environment Grace Fu during the COP26 climate talks in Glasgow. **A1**

OPINION

Test equity concerns before extending new PLH model

The new prime location public housing (PLH) model makes public housing more equitable than the current system, says Straits Times associate editor Chua Mui Hoong. But before the new rules are extended to more flats in future, they should be tested against equity concerns from home owners' point of view. **A19**

Loh Kean Yew smashing at Malaysian Lee Zii Jia in his shock win at last week's French Open. The 24-year-old Singaporean is enjoying a fine spell in European tournaments. PHOTO: BADMINTON PHOTO

SPORT

S'pore shuttler Loh topples world No. 4 in German tourney

Singapore's top shuttler Loh Kean Yew is continuing his purple patch on the world circuit, stunning Chinese Taipei's world No. 4 Chou Tien-chen 21-18, 21-13 in the opening round of the Hylo Open in Germany on Wednesday. Last week, the world No. 39 upset Malaysia's All-England champion Lee Zii Jia in the French Open first round, after winning the Dutch Open title on Oct 17. **B18**

SINGAPORE

Steep rise this year in cash-on-delivery scams

Cash-on-delivery scams are becoming more common. Ninja Van said it has received 3,000 to 5,000 complaints a month this year, up from 500 to 800 a month last year. To raise awareness of such scams, the logistics firm is working with the police to distribute fliers ahead of the year-end shopping season. **B1**

BUSINESS

Benefits of kinder, more transparent workplaces

Kinder and more transparent workplaces can lead to better productivity and happier employees. A new study now shows that those traits also restrain staff from teaming up to steal, lie or engage in schemes that cause harm to companies. It will be an aid in the global battle against employee fraud. **B11**

LIFE

Italian food, Marvel's new film top picks this weekend

Italian gourmet fare from Da Paolo Gastronomia's outlet in Great World shopping mall leads the food picks in The Strait Times' weekend dining and entertainment guide. Other picks include a show by French pianist Cedric Tiberghien, new Marvel film Eternals and an online concert by Taiwan-based group Just Vocal Band. **C4&5**

PHOTO: DA PAOLO GASTRONOMIA

Competition to recruit property agents hotting up

Agencies dangle cash, other incentives in bid to raise headcount amid hot property market

Joyce Lim
Senior Business Correspondent

A property agent with his clients at a viewing in June. An aggressive recruitment war has broken out among real estate agencies, with industry observers noting that an agency's headcount remains an important criterion in getting projects to market and achieving economies of scale. LIANHE ZAOBAO FILE PHOTO

Property agents are proving to be the ultimate beneficiaries of an aggressive recruitment war that has recently broken out among real estate agencies amid the piping hot property market.

These firms are throwing money and other incentives at property agents in a bid to raise their headcounts.

The benefits for agents jumping ship range from thousands of dollars in sign-on bonuses to having their resignation penalties at rival firms fully paid.

Last month, PropNex Realty set up a new platform, run by a committee of property agents, that acts like a union to ensure that the firm provides fair contractual terms in the engagement of agents.

Mr Brandon Aw, senior marketing director of ERA Realty Network, noted: "This is an open market and agents are free to choose which agency they want to work with. It is good that agencies are now laying out their terms clearly and the cash incentives are good to have."

But Mr Aw urged agents to consider carefully which agency can better help them achieve their personal goals, whether it is to be a team leader or to focus on achieving their own sales, before switching sides.

PropNex remains the largest real estate agency here with 10,324 agents as at yesterday, up from 8,918 at the beginning of the year. ERA is next with 8,370 agents, followed by OrangeTee & Tie with 3,944, down from 4,122.

Huttons Asia, which has 3,529 agents, could be pushed up to third place following the move of Navis Living Group – formerly an associate team of OrangeTee & Tie – to become an associate of the firm.

Navis co-founder Stuart Chng told The Straits Times that 940 agents have applied to the Council of Estate Agencies to switch to Huttons Asia. Around 200 have crossed over, with the applications from the rest pending approval. They should be starting at Huttons Asia on Jan 1.

Industry observers said an agency's headcount remains an important criterion in getting projects to market and achieving economies of scale.

Despite the pandemic, Singapore's property market has remained robust and continues to see growth. Border reopenings could also boost the market and help it end the year on a high note.

Professor Sumit Agarwal of the National University of Singapore Business School said the work-from-home trend that emerged during the pandemic has also lifted the demand for property.

ST reported in September that some agencies were trying to retain staff by imposing hefty penalties on agents who quit.

The intense rivalry in the sector of late has even resulted in two of Singapore's biggest real estate agencies taking potshots at each other over unfair practices and hefty clawbacks from agents.

Clawbacks refer to money that firms paid on behalf of agents, such as licence and training fees or cash reimbursements for penalties from previous agencies.

The opening salvo came from PropNex, which announced last week that it has accepted the suggestion of the committee running the new union-like platform and listed three fair practices, including waiving any administrative fee for agents who quit and giving them a full refund of their licence renewal fees within 30 days of their resignation.

Project and team leaders will continue to receive their rightful commissions, including profit-sharing overriding commissions, up to six months after their resignations, PropNex agents were told.

ERA responded with a "special briefing" on Tuesday, which saw two management executives taking jabs at PropNex's "fair practice" announcement while rolling out similar terms.

Its chief executive Marcus Chu said it will give a full refund of the licence renewal fees within two weeks of an agent's resignation.

It will also set up a "homecoming account" to keep any project or management fees payable to team leaders. If a team leader returns to ERA within one year, the leader's full management fees kept in this account will be paid out, Mr Chu told agents.

ERA Realty Network key executive officer Eugene Lim alleged that it was PropNex which started the unfair practice of imposing massive penalties and excessive clawbacks on salespeople who quit.

Mr Lim told the briefing that PropNex's $30 million resilience plan rolled out last year was meant to "lock them (agents) in with inflated penalties".

He also showed slides of receipts from PropNex reflecting penalties of between $772.50 and $2,012.50, which agents had to pay in order to leave the firm. Mr Lim said he had the receipts because ERA had paid those penalty fees when the agents crossed over to ERA.

Mr Chu declined to comment when asked about the briefing.

PropNex Realty's chief executive Ismail Gafoor told ST that the resilience support plan, which involved the firm paying commissions in advance, was meant to help agents tide through the difficult period when all real estate activities came to a standstill during the two-month circuit breaker last year.

"(No part) of the resilience support plan requires an undertaking or any form of penalty to the company," noted Mr Gafoor.

He also gave a breakdown of the $2,012.50 penalty fee that Mr Lim had described as "inflated".

It included a cash reimbursement of $1,000 to the agent for the penalty fee he incurred when he left his previous agency to join PropNex in September 2019, said Mr Gafoor.

There were also other out-of-pocket expenses which PropNex had paid on behalf of the agent in 2019 and last year, including licence renewal fees, professional indemnity insurance and subscriptions to a third-party property research application.

As the salesperson did not fulfil his undertaking to stay with PropNex for two years, he had to refund PropNex the various costs.

Mr Tony Koe, chief executive of property agency SRI – which has 1,122 agents – said its research found that the largest inflow of agents to PropNex consisted of people new to the industry.

Data from SRI's research unit showed over 200 agents moved from ERA to PropNex, and about 150 PropNex agents switched to ERA this year.

Ms Alice Tan, Knight Frank Singapore's head of consultancy, said the larger real estate agencies have been involved in marketing most new projects for the past three or four years.

These agencies seek to increase their agent headcounts in order to cement their position, said Ms Tan, who feels that the tussle among agencies to grow staff numbers will further increase the pace of consolidation of property firms here.

She added that the carrot-and-stick approach to raising agent headcounts may also paint a false picture of how lucrative the real estate agency business actually is.

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Top five largest property agencies in terms of agent headcounts

Ranking	Agency	Number of agents: As at Jan 1, 2021	Number of agents: As at Nov 4, 2021
1	PropNex Realty	8,918	10,324
2	ERA Realty Network	7,771	8,370
3	OrangeTee & Tie	4,122	3,944
4	Huttons Asia	3,210	3,529
5	SRI	1,004	1,122

Source: THE COUNCIL OF ESTATE AGENCIES WEBSITE STRAITS TIMES GRAPHICS

98% of public officers are fully vaccinated: PSD

FROM A1

erwise be redeployed to other work that can be done remotely if such jobs are available with remuneration "commensurate with the responsibilities of the alternative jobs", its spokesman said.

But those who choose not to get vaccinated despite being medically eligible and cannot be redeployed may be put on no-pay leave, or have their contracts lapse with no further renewal, as a last resort.

The spokesman said the public service will focus on counselling such officers on the importance of vaccination and consider ways to redeploy them to allow remote working.

Last month, the multi-ministry task force tackling Covid-19 announced that only fully vaccinated employees or those who have recovered from Covid-19 in the past 270 days can return to the workplace from Jan 1 next year.

Unvaccinated staff will not be allowed at the workplace unless they have a negative pre-event test result.

The stance taken by PSD – Singapore's largest employer with around 150,000 officers – is in line with the Ministry of Manpower's (MOM) advisory on Covid-19 vaccination at the workplace.

In its advisory issued on Oct 23, MOM, along with tripartite partners National Trades Union Congress and the Singapore National Employers Federation, said that for unvaccinated workers whose work can be performed at home, employers may allow them to continue doing so, but such arrangements remain the employers' prerogative.

The advisory highlighted that if termination of employment is due to the employee's inability to be at the workplace to perform his or her contracted work, it would not be considered as wrongful dismissal.

The tripartite partners called for special considerations to be given to pregnant employees and those who are medically ineligible for vaccines under the national vaccination programme.

As at mid-October, about 96 per cent of Singapore's total workforce had been vaccinated, with around 113,000 employees yet to be inoculated. Only a small proportion of the 113,000 workers are medically ineligible for vaccination.

PSD said about 98 per cent of public officers are fully vaccinated.

"Public agencies will strongly encourage the remaining officers to get fully vaccinated to protect themselves and others," the spokesman added.

Dr David Leong, managing director of human resources firm PeopleWorldwide Consulting, said employers are likely to take a similar stance to what PSD is adopting towards employees who continue to choose not to get vaccinated.

"Workplace safety can be compromised when unvaccinated coworkers become the links to infecting others," he said, adding that this could be detrimental to business operations.

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What it should have been

Yesterday's report, "Bus, train fares to rise by 3 to 4 cents from Dec 26", said that this year's fare hike translates to a $34.2 million rise in annual fare revenue for the Government.

This is incorrect.

The $34.2 million figure comprises annual fare revenue increases for SBS Transit Rail ($4.6 million), SMRT Trains ($10 million) and the Land Transport Authority ($19.6 million).

We are sorry for the error.

BUSINESS

50%

SURGE IN BOSSES' USE OF SURVEILLANCE SOFTWARE SINCE PANDEMIC BEGAN | **B11**

A photo taken before the Covid-19 pandemic of a multi-purpose space in Sodexo's Singapore office, where staff can meet for collaborations and discussions, or work on their own. The integrated facilities management company has created a flexible working space for its employees since 2018, with meeting rooms equipped with teleconferencing equipment so that larger groups can communicate with colleagues working remotely. PHOTO: SODEXO

S'pore firms making efforts to transition to hybrid work

Over half of firms polled feel such arrangements foster innovation, with many taking steps to spur collaboration

Jolene Ang

A hybrid work model, under which employees work partly from home and partly at the office, has increasingly become the standard for many companies in Singapore and around the world.

In the first few months of the Covid-19 pandemic, many companies scrambled to have their employees work from home. But with ongoing vaccination campaigns and the subsequent lifting of restrictions in many countries, workers have started returning to the office.

That move signalled the transition towards hybrid work.

An HSBC survey on the future of work released last month found that 53 per cent of over 200 companies polled in Singapore think hybrid work will promote innovation, with 36 per cent of businesses placing a high priority on creating an environment that fosters and enables innovation.

Many local companies have made efforts to transition to hybrid work with a focus on collaboration.

Global integrated facilities management company Sodexo, which offers workplace consultancy services, said it has helped a number of clients transition to hybrid working and activity-based workplaces over the past year.

It works with clients from industries such as pharmaceuticals, technology and manufacturing.

Mr Philippe Huinck, Sodexo's Asia-Pacific chief executive of corporate services, said the firm helps clients come up with "purpose-designed strategies to encourage employees to return to the office".

It works with these clients to identify what activities they want the office to be a destination for, such as collaboration, and then configures spaces to facilitate and enable these activities, said Mr Huinck.

Sodexo itself has created a flexible working space for its employees since 2018, when it redesigned its office in Singapore.

There are phone booths and pods which employees can use for discussion and collaboration, while meeting rooms are equipped with teleconferencing equipment so that larger groups can communicate with colleagues working remotely.

Dr David Leong, managing director of human resource advisory firm PeopleWorldwide Consulting, said working from home may not be feasible for all companies.

But most companies, where possible, would have adapted to hybrid work and eventually consider it a mainstream work pattern and practice, he said.

"Over time, work habits are formed, and some businesses find that their work output and production are not impacted, and in fact, employees have greater freedom at work," he added, noting that employees save a lot of time not having to commute to and from work.

Some companies had remote working policies in place even before the Covid-19 pandemic hit, which meant the transition for them was not as abrupt.

Electronics company Logitech said videoconferencing has been an important tool since about four years ago, and its meeting rooms were already equipped with Web cameras, headsets and videoconference systems.

Mr Bryan Lee, Logitech's South-east Asia head of video collaboration, said the company has seen strong demand for such electronic equipment in recent years.

"Even before the pandemic, the demand was going towards that (trend of remote or hybrid working). But the pandemic has accelerated it even more... We saw a sudden surge in work-from-home equipment needed for employees to work effectively," he said, though he declined to reveal sales figures.

Prudential Singapore said it also had a flexible working culture incorporating hybrid work prior to the pandemic.

Mr Sherwin Siregar, the firm's head of people experience, said employees have been allowed to work both from the office and their home, and are equipped with the necessary technology at home to do so.

"Hybrid work gives employees the autonomy to plan their work week according to their personal productivity rhythm or needs," he added.

Dr Leong said there will need to be some "give and take" when it comes to hybrid work. "Freedom at work is a great luxury and incentive for employees, but employers lose control and physical face time."

To facilitate hybrid work, workplace and human resource policies may have to be reconsidered and new metrics set up to guide effective work performance, he added.

For example, companies should come up with clear and measurable work output and performance indicators.

While there is no single ruler to measure productivity for different businesses, hybrid working could increase productivity, he noted.

"Freedom at work is freedom from constraints, the choice to work non-traditional hours, and the choice of job mobility and flexibility. These are what most workers aspire to have. Happier workers naturally translate to better work outcomes."

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DBS to launch tool for clients to track carbon footprint

Prisca Ang

DBS Bank customers will be able to track their carbon footprint when a new calculator feature on the lender's digital banking app is rolled out by January.

The calculator will be able to automatically generate carbon footprint profiles and insights based on DBS credit and debit card spending.

The bank is also developing a function that will let customers buy carbon credits to offset their carbon footprint.

The tool will be released as a part of DBS' LiveBetter digital platform, which aims to make it easier to access educational resources, services and products centred on sustainability.

DBS/POSB customers here can access the platform, launched yesterday, via the digibank app.

Users can already access educational resources about climate change and how to mitigate it.

They can also donate to sustainability-related causes such as The Food Bank Singapore, World Wide Fund for Nature and Mandai Nature Fund.

The process takes less than five seconds, from transferring the funds to filing for tax deduction, said DBS, adding that there are no fees involved.

Customers can also use the LiveBetter platform to learn about sustainable investing and invest in sustainability-themed funds.

Users can already invest in two funds – the BNP Paribas Global Environment and the Ninety One GSF Global Environment Fund – with exchange-traded funds available from next year.

Mr Jeremy Soo, head of the consumer banking group (Singapore) at DBS, said: "Climate change impacts all of us, and we believe everyone has a role to play in building a better world."

Mr Soo said: "By embedding LiveBetter into DBS digibank, our customers can now easily access ways to live green with a few simple taps."

DBS also gave an update on the take-up of its green retail offerings introduced this year.

Volumes for its green car loan – introduced in February for customers buying new and used electric and hybrid vehicles – made up 10 per cent of the bank's car loan volumes as at Sept 30.

"With more electric vehicle models coming into the market, green car loan volumes are expected to continue to rise," said DBS.

Green renovation loans comprised about 85 per cent of the bank's new renovation loan bookings as at Sept 30.

Customers need to fulfil three items on a checklist, such as having energy-efficient lighting and systems, to be eligible for the green loan, which was launched in April.

About two-thirds of DBS customers taking up green renovation loans live in Housing Board flats.

Singapore's largest bank is not alone in its efforts. Other industry players are also rolling out green products for both consumers and businesses.

UOB Asset Management last Monday launched the United Smart Sustainable Singapore Bond Fund to attract investors looking to invest in Singapore's sustainability efforts.

The fund will invest in high-quality green, social and sustainability-linked bonds with strong environmental, social and governance mandates.

OCBC last Tuesday extended its first green loan leveraging the new Building Energy Efficiency Assessment tool launched by the Building and Construction Authority of Singapore.

The tie-up between OCBC and the authority aims to enable a simpler transition to sustainability for building owners, developers and small and medium-sized enterprises in the property value chain.

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Market Watch •
Tug of war between growth and inflation to intensify for markets | **B12**

Raffles Education •
Firm asked a director to defer resigning | **B12**

Online

FEATURE

Is my workplace toxic?

What exactly is a toxic workplace? How can young people in their first job realise that they are in a bad environment and know when to step away?

str.sg/toxic

联合早报
zaobaosg
星期日，十月 31，2021

实况报道

许翔宇 hsiangyu@sph.com.sg

信息科技领域快速增长，大学计算机学院毕业生"身价"不同往日，薪酬近年奋起直追。不少计算机课程毕业生去年的起薪中位数，赶超了法学院毕业生，与医学院毕业生平起平坐。本期《实况报道》探讨目前科技业"粥多僧少"的现象，也访问科技公司新鲜人，了解他们如何为事业铺路。

起薪赶超法学生直追医科生

计算机毕业生成职场"薪贵"

各行业加快数码化，对科技人才求贤若渴，本地公立大学部分计算机课程毕业生去年的起薪中位数，较五年前增长约两至四成，可媲美医学院毕业生。

去年，南洋理工大学的商业与计算机双学位课程毕业生，起薪中位数较2015年增长约18%，达5400元，比本地医学院毕业生的5250元起薪中位数，还略高一筹。

新加坡国立大学电脑科学系毕业生去年起薪中位数则达5243元，比五年前的3700元上涨近42%。

上述两项课程毕业生的中位数起薪，去年皆超越了本地法学院毕业生（介于约4600元至5000元）。

财政部长黄循财上个月在国会曾透露，信息科技领域成倍增长，各行业对科技人才需求高涨。资讯通信媒体发展局估计本地每年有大约1万9000个科技岗位空缺待填补。去年报读大学、理工学院和工艺教育学院信息通信科技课程的本地学生，则大约7600人。

国大计算机学院院长墨翰·戴蒯哈里教授（Mohan Kankanhalli）回复《联合早报》询问时说，越来越多行业将计算技能视为引领增长的推动力，促使相关的工作岗位增加。"这些工作的薪金也增高，除了因人力需求强劲，也因计算机学院毕业生对提高企业和机构的效率和扩充能力，可赋予高增值作用。"

他说，国大计算机学院毕业生向来维持高就业能力，也获得优越薪酬，他们去年投入的三大行业为信息与通讯、公共行政与国防，以及金融业。

"个别公司也曾向学院提出招聘更多毕业生的要求，除了与计算机相关行业的雇主，也包括非计算机科技领域，但正朝着人工智能或数据科学方向转型的企业。

"这说明我们的毕业生做好投入职场的准备，技能符合业界需求。我们的学生对计算机基础技能有很好掌握，也有很强的应用和实践能力。"

新科技巨头我国设办事处 带动对计算机科系毕业生需求

南大常务副教务长（教育）陈伟强教授说，阿里巴巴、亚马逊、面簿、谷歌、Grab、腾讯及虾皮等顶尖科技公司，选择在新加坡设办事处，而我国政府也鼓励学生掌握数码技能。此外，各企业为求存正加快数码化，以提高生产力和服务质量，并在后冠病时代加强与客户的联系。

他指出，这些因素带动市场对计算机学院毕业生的需求，也促使南大电脑科学及计算机工程课程获青睐。

2015年至2020年，南大商业与计算机双学位课程毕业生的中位数起薪，一直是医学院毕业生以外最高的。

陈伟强说，南大与顶尖科技公司合作，为学生提供实习和职场培训机会，下来也会配合南大2025战略计划，鼓励学生修读跨学科课程，包括与计算机领域相关的学科如机器人和自动化科技，培养应变及长期就业能力。

新加坡管理大学计算机与信息系统学院房伟华教授认为，信息科技如今不仅深植于多数行业的业务之中，对世界各地城市管理也扮演重要作用。"整体上，业界、经济和社会的数码转型不仅会持续，步伐还会加快。"

新大计算机与信息系统学院近年来招收更多本科和研究生，也对其课程进行更新，确保课程内容与时并进。

房伟华说，学院的课程向来重视质量并要求严格，雇主和准学生有信心学院培养出的毕业生，符合业界需求，具备创新技能和思维，并且能使用金融科技、人工智能和物联网等科技开发解决方案，为企业和社会创造价值。

（受访者/谷歌/虾皮提供照片）

学者：兴趣和天资缺一不可

获得顶级薪酬的电脑科学系毕业生，月薪甚至可达一两万元。然而，受访学者提醒学生，不应只着眼于丰厚薪酬，要学好电脑科学，并在软件工程这条路走得远，兴趣和天资不可或缺。

在国大计算机学院任教15年的电脑科学系副教授梁永立说，当年他开始在国大任教时，电脑科学是最冷门的课程之一，如今风水轮流转，修读电脑科学的全优生人数，比医学院和法学院的加起来还多。

他指出，获得顶级薪酬的电脑科学系毕业生，工资确实可比一般医科毕业生高许多。过去一年，他有三名学生毕业后到香港工作，年薪高达25万元。然而，梁永立指出，学生不应只冲着高薪来报读电脑科学，并非人人适合读这门学科。

可先修一年测试自己再做决定

"若缺乏资质，会学得很痛苦；有资质但没有兴趣，也会很辛苦。如果有兴趣并具备天资，那这个学生必定乐意在学习上下功夫——编程须有解决问题的能力，死记硬背是行不通的。"

他坦言，很多时候，学生没有尝试过，未必知道自己是否具备能力。"如果成绩优秀，或可修读电脑科学一年试试。如果不喜欢，很快就会知道，到时或可转攻其他主修。"

他指出，功夫扎实的软件工程师目前都吃香，若获科技巨头如FAANG（面簿、亚马逊、苹果、Netflix和谷歌）等聘用，不仅有优越薪酬和福利，也有较好的工作与生活平衡。然而，行业内公司林林总总，待遇也不尽相同。"当软件工程师不轻松，关键是能力要强。在电脑科学系里苦苦挣扎的学生，技术能力不强，在这行发展恐怕有限，但或可转入销售等领域工作。"

梁永立认为，家长不必赶忙逼孩子学编码，学生报读国大电脑系之前也不必先懂得编程。"我最优秀的学生上大学前很多不曾学过编码。"

人力资源公司仁立国际执行董事梁启国博士指出，市场对科技人才的强劲需求，促使电脑科学毕业生与医学院毕业生起薪的差距，尤其在近几年急速缩小。

他指出，电脑科学毕业生起薪介于5000元至7000元属正常范围，有些电脑程序编写员甚至可获1万元起薪。部分顶尖科技公司选拔人才的方式包括编程马拉松等比赛，门槛相当高。

业界：须具能力解决复杂问题

受访科技公司表示，招聘时看重应聘者是否有解决复杂问题的能力，好学并愿意接受新的挑战，以及是否具备扎实的计算机基本功。

谷歌亚太区科技人才招聘主管丹尼尔·瓦西克（Daniel Wasik）说，谷歌在选拔人才时看重四大要素，即包含综合认识能力、领导力、谷歌特质（Googleyness），以及与应聘岗位相关的知识技能。

他强调，谷歌重视能为公司团队增添多元性的人才。"为确保公司维持包容、创新，以及生机勃勃的精神，我们看重的是对公司文化的'添加'，而并非要与公司文化'匹配'。"

"当我们评估'谷歌特质'，也是在看应征者能否对公司文化有所'添加'，以及能否在我们的工作环境中取得成功，这包含了乐于接受不确定性、以用户为中心、开放谦虚心态，以及对团队体现关怀等核心能力。"

金融科技公司PayPal新加坡研发中心负责人左汉杰说，毕业生最重要是要有成长思维，具备解决问题的好奇心。"以PayPal来说，我们非常注重毕业生须有扎实的计算机基础，这对我们做好工作及服务顾客很重要。在软技能方面，毕业生也应有说明问题和解决方案的沟通能力。"

今年毕业于国大信息系统系的邱凯欣（23岁），6月加入PayPal当软件工程师，与同属的团队一起经营全球合规和客户信息认证平台的工作。

邱凯欣初级学院毕业后报读国大计算机学院，选择以金融科技为学习专长，虽没有编码基础，但她学习上如鱼得水，两次登上"院长荣誉榜"。

"我想掌握这个课程以外的人较难学到的技术，觉得这能给我一定优势，让我进入一些门槛较高的职业……了解信息系统，即使不当程序员，技能也能应用在很多领域。"

大学扩招　CET也加入人才培训

单靠大专毕业生无法满足业界对科技人才的需求，教育部和有关机构下来将显著增加持续教育和培训（CET）课程，培训更多新加坡人从事科技领域工作。

教育部长陈振声今年7月书面答复阿裕尼集选区工人党议员严燕松有关询问时透露，因应业界需求，公立大学在2020年开办的信息及数码科技（Information & Digital Technologies，简称IDT）本科课程学额增至3100个，是2010年的约四倍。

IDT学额在大学本科学额总数所占比率，也从10年前的7%，增至去年的17%。

但陈振声强调，即便大学增加学额、鼓励更多学生以IDT为副修或第二主修，仍无法满足需求，政府也得考虑其他行业的人力需要。

政府下来将显著增加CET课程，包括扩大加快培训专才计划（TeSA）。该计划自2016年推出以来，已训练逾8000名新加坡人从事科技工作。

案例① 潘昊哲：勤练编码只为投身科技巨头

三年前首次应征谷歌实习机会不成功，潘昊哲锲而不舍，勤练编码，前年再试成功获录取。他去年在谷歌支付数据系统团队线上实习四个月，今年1月转正为全职的软件工程师。

去年毕业于国大电脑科学系的潘昊哲（26岁）因服兵役时参与的工作项目，对计算机产生兴趣，开始阅读有关书籍。由于喜欢这门学科倡导解决问题的思维，他决定主修电脑科学。他也是国大博学计划的学生。

潘昊哲起初没认真想过要成为软件工程师，等到准备申请实习项目，才开始探索职业选项，把争取到搜索引擎公司谷歌实习当成其中目标。

应征谷歌实习职位须完成一项线上挑战，过关后还须通过两轮考验编码技术的面试。

首次应试失败后，潘昊哲继续苦练编码，还请曾到谷歌实习的朋友，为他进行模拟面试。第二次应征，他准备得更充分，过关斩将成为实习生。

实习让他更了解谷歌的文化，也更确定要把这里当成事业起点。

"之前在其他公司实习，因内部工具不足，常得借助外部的软件工具。在谷歌，使用的每一个工具都是公司工程师开发的。你有疑问，发个短信给有关的工程师就能问明白，这里有非常开放、共享知识的文化。"

对于考虑投入到这个行业的学生，潘昊哲鼓励他们秉持求知若渴的精神。

"电脑科学很多时候是要让事物运作得快、更好，以及更便利。要不断地问为什么，再思考如何求解。这样一来，你对所学的东西会更感兴趣。"

案例② 杨缮玮：实习后确定符合志向和期望

今年毕业于南大商业与计算机科学双学位课程的杨缮玮（25岁），入学头一年就开始参与行业交流活动，积极开拓人脉，还在一次活动上主动向网购平台虾皮（Shopee）区域营运主管毛遂自荐，争取实习机会。

该名主管后来将他的履历交给公司的职员，杨缮玮通过面试，2017年至2018年两次在虾皮区域营运团队实习，期间为团队开发一个可显示效绩指标的数据仪表板（dashboard），至今仍在使用。

杨缮玮今年初受邀参与虾皮在大专学府进行的线上招聘活动，成功通过线上面试，以及两轮考编码和技术知识的测试，他目前在虾皮担任后端软件工程师。

他坦言，薪酬是他应聘这份工作的因素之一。"但我也考虑其他因素，包括公司提供的学习机会、职场文化和业务潜力——由于曾在虾皮实习两次，我更确定在这里就业，符合我的志向和期望。"

杨缮玮认为，南大课程奠定的理论基础，在不同企业实习累积的实战经验，都提升了他的软硬技能和知识。

电子商务竞争激烈，在他看来，在虾皮工作务必要做到迅速应变，满足用户需求。"工作步伐快，有时挑战不小，但能通过编写程序发挥作用，也可借助不同工作项目和培训课提升自己，让我觉得付出的努力是值得的。"

案例③ 林俐萱：要创造有价值产品或解决方案

科技分析员林俐萱（24岁）在国际咨询公司埃森哲（Accenture）任职，每天工作离不开为客户制定数码解决方案，但上大学修读计算机前，她自认从来不是"科技达人"。

A水准成绩优异的她，本想报读医科，实现童年梦想，但最后一轮面试不过关。为挑战自己，踏出舒适圈，她报读新加坡管理大学的信息系统课程，希望同时掌握科技和商业技能。

回想当初，她笑称选择读计算机的理由有点"傻气"。"想到未来大学毕业后，反正要老老实实工作一辈子，不如给自己下最后一份挑战，让不擅科技的自己，去学科技。"

自认数理基础稍弱的林俐萱坦言，课程对她来说颇有难度，但她并不后悔，认为自己掌握一套能对世界发挥积极作用的实用技能。

她去年5月毕业后，同年8月选择加入埃森哲。她指出，目前的工作涉及软件工程等，技术含量相当高，同时也得和顾客接洽及提供咨询、构思解决方案。

"我希望在最短时间内取得最大的学习进度，薪酬倒不是最主要的推动力。我的薪金和市场中位数不相上下。"

林俐萱希望将来利用自己的计算机技能，创造有价值的产品或解决方案，为社会做贡献。

THE BUSINESS TIMES

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THE LEVEL GROUND

Hong Kong property heirs have their future fortunes tied to common prosperity REAL ESTATE / 11

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OTTO Solutions helps to enable a sustainable future SME / 18

SINGAPORE ECONOMY

Upside surprise in September inflation TOP STORIES / 3

HOCK LOCK SIEW

Unflattering glare on workers' dorm a test of firms' ESG commitment COMPANIES & MARKETS / 4

MARKETS

	Monday	Change
STI	3,201.86	-3.28
KL COMP	1,587.94	-0.14
NIKKEI 225	28,600.41	-204.44
HANG SENG	26,132.03	+5.10
SHENZHEN B	1,186.44	+1.29
DOW (11am EDT)	35,712.07	+35.05

DAILY DIGEST

While segments of the labour market are reporting mismatch in demand and supply, it appears the legal sector is close to some form of equilibrium, at least at the training stage. TOP STORIES / 2

Ng Yu Zhi, who is alleged to have perpetrated one of Singapore's largest investment fraud schemes, has been slapped with another 18 charges. TOP STORIES / 2

YTL PowerSeraya has pipped Singapore's big energy players, including Tuas Power and Sunseap Group, to snag Singapore's two-year trial to import 100 MW of electricity from Malaysia via existing interconnectors. TOP STORIES / 3

Singtel's cybersecurity arm Trustwave has divested SecureTrust, its payment card industry compliance business, to Sysnet Global Solutions, for a cash consideration of US$80 million. COMPANIES & MARKETS / 5

HSBC reported a surprise 74 per cent rise in third quarter profit as it shrugged off fears over pandemic-linked bad loans and property problems in its key market of China, allowing it to announce a share buyback of US$2 billion. BANKING & FINANCE / 10

Palm oil production in Malaysia is set for its weakest showing in 5 years as planters grapple with the worst labour shortage in the second-biggest grower. INDUSTRY / 13

Microsoft said the hackers behind the SolarWinds cyber attack are engaged in a fresh campaign to compromise global networks by targeting the tech supply chain, including resellers and providers of cloud technology. INDUSTRY / 13

LIVING WITH COVID-19

No jab, no job; companies can also let go of unvaccinated staff as last resort

Firms can request workers to show vaccination status through the TraceTogether app or token, HealthHub app or original physical vaccination card

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WORKERS who refuse to disclose their Covid-19 vaccination status can be treated as unvaccinated, and companies can terminate those who do not comply with workforce vaccination measures as a last resort, according to the latest tripartite advisory.

Employers can also impose a vaccination requirement upfront when hiring new staff for the purpose of planning workplace deployment, the Ministry of Manpower (MOM) said in response to a list of frequently asked questions posted on its website.

Workforce vaccination measures are applicable to anyone working at the same premises as their employees, including independent contractors and vendors, it said.

Employers may request staff to show their vaccination status through their TraceTogether app and token, HealthHub app or the original physical vaccination card.

This is an update from an earlier position taken by MOM and its tripartite partners: the National Trades Union Congress and the Singapore National Employers Federation.

On Jul 2, a joint advisory said employers may impose a vaccination requirement for workplaces with a higher risk of Covid-19 infection, but staff should not be penalised if they decline vaccination.

The latest tripartite advisory on Covid-19 vaccination at the workplace states that for work that can be performed at home, employers may allow unvaccinated workers to work remotely, at their prerogative.

However, it added: "As the vast majority of vaccinated employees eventually return to the workplace more frequently, the prolonged absence of the unvaccinated employees from the workplace may affect their individual performance as well as negatively impact team or organisational performance."

David Leong, managing director of HR advisory and search firm PeopleWorldwide Consulting, said: "The employer can insist that they return to office with daily testing at their own expense and such a demand, in today's context, is not unreasonable."

Workers who refuse to disclose their Covid-19 vaccination status can be treated as unvaccinated. Workforce vaccination measures are applicable to anyone working at the same premises as their employees, including independent contractors and vendors. BT FILE PHOTO

> "You should not terminate someone's employment simply because they are not vaccinated. But if they are unable to perform optimally due to this purely personal choice, then it's not wrong to have that reflected in their work reviews."
>
> **Stefanie Yuen Thio, joint managing partner at TSMP Law Corporation**

As for work that cannot be performed at home, employers can allow staff to continue in their existing job with pre-event testing done at the employees' own expense, or such staff may be redeployed to suitable jobs that can be done from home.

As a last resort, however, they may be placed on no-pay leave or terminated with notice in accordance with their employment contract.

"If termination of employment is due to employees' inability to be at the workplace to perform their contracted work, such termination of employment would not be considered as wrongful dismissal," MOM said.

While it remains up to firms to decide whether to make such moves, HR players said those in customer-facing industries such as food and beverage (F&B), healthcare, and hospitality are more likely to do so.

"It will depend on the company's business operations as well as what the market leaders are seen to be doing," said Randstad Singapore managing director for Singapore and Malaysia Jaya Dass. Firms with higher Covid-19 risks are most likely to require vaccination "to protect the overall well-being of their workforce".

"Companies are also likely to follow what the bigger players implement as well as the recommendations from the industry associations in the coming weeks," she added.

"In healthcare for example, there is a responsibility not just for the health and safety of employees but also the people placed in their care," said Mercer Marsh Benefits leader for Singapore Neil Narale.

Leong believes firms are "very likely" to make vaccination a requirement for new hires, as mass infection could cripple operations. "F&B, hospitality and service industries are especially sensitive because of their constant contacts with large number of guests, patrons and customers."

Continued on Page 2

ENERGY COST

Logistics firms hike prices, mull electrification amid rising fuel costs

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Singapore

RISING fuel prices have become untenable for some logistics companies in Singapore, with several now passing on the costs to clients so as to retain margins.

The smaller players, in particular, said fuel contributes to about a third of their operating costs. In recent days, they have seen fuel costs go up in the range of 15-30 per cent.

Bok Seng Logistics' chief executive officer Dave Ng said his company has started hiking the prices for some services. "We have to pass on some of the increase in costs to the end-users. Fuel prices will continue increasing as oil majors are not producing more. This is a very difficult period, costs are increasing everywhere and we're still trying to live with the pandemic. So we just have to live day by day and hope that customers can understand because that's the way the market is now," Mr Ng noted.

Kevin Sandhu, general manager for transport and projects Yang Kee Logistics, said: "We expect prices to continue to rise in the short term, and have started engaging some of our customers on the rising prices to see how we can work together to pull through these challenging times."

Sandhu added: "Vessel delays due to port congestion around the world further add cost pressures to our operations as we have to increase the number of trips to fulfil the delayed or surged orders. Coupled with the rising fuel prices, this makes each trip more costly."

Network Courier's managing director VS Kumar said his company is monitoring the situation for further developments. "As much as possible, we wish to prevent our customers from further distress and stay united with them as we tide through these unprecedented times of adversity for us all," he explained.

The costs of oil, natural gas and coal have climbed rapidly in recent months due to increased demand from China and elsewhere while gas and coal production dropped. Meanwhile, gas supplies via pipeline to Singapore have been affected by upstream production issues in an Indonesian gas field, with reduced output expected to last until the end of the year, the Energy Market Authority said on Oct 19.

Expecting surging fuel prices to be sustained, some logistics firms are also looking into electrifying their fleet with the hope of reducing operating costs.

For instance, Kumar said Network Courier has bought two electric vehicles (EVS) using government rebates, and will continue to make its electric transition in phases.

"With these electric vehicles coupled with electrical chargers for them in our current new premises, we can better manage any rising costs of fuel in future. This will be beneficial for our customers and also help us to better align with our nation's push towards lowering our current carbon emission levels," he addedd.

Bok Seng Logistics' Ng said his company has also been looking into EVs but are still studying alternative charging options, such as by installing solar panels at its premises.

Apart from the increase in fuel costs, the sector has also been hard hit by labour shortages, Ng pointed out.

"We used to have the luxury of hiring colleagues from India or China but because of Covid, some of them had to go back to their hometowns or are not able to come into Singapore. Everybody is pulling one other's drivers. So we have to boost their package to make them stay," he said. As it is, one fifth of his company's 100-unit fleet have not been utilised due to a shortage of drivers.

On the other hand, larger international players, like DHL, said the impact of fluctuations in fuel prices has been "minor".

"Fuel costs make up only 3 per cent of the group's total cost base and are mainly related to our DHL Express aircraft fleet. DHL Express applies an automatic fuel surcharge for shipments, which is updated on a monthly basis. Also in our other divisions, fuel price movements are automatically factored into regular freight rate movements and are addressed in customer contracts, if of major relevance," a DHL spokesperson told *The Business Times*.

Singapore's electricity market has also been hard hit by rising fuel prices, with 3 electricity retailers calling it quits within one week in October. In China, Britain and elsewhere, the shortage of fuel and panic buying have led to blackouts and long lines at filling stations.

Network Courier MD VS Kumar (centre), with two of his employees. He says the firm has bought two electric vehicles using government rebates, and will continue to make its electric transition in phases. BT FILE PHOTO

Bloomberg forum is 'a vote of confidence' for Singapore, says Gan Kim Yong

Minister adds that relaxed dine-in cap for delegates is needed for business networking at such events

By Sharon See
sharons@sph.com.sg
@SharonSeeBT

Singapore

BUSINESS event organisers have thrown their support behind the government's decision to relax dine-in rules for groups of up to 5 delegates of the Bloomberg New Economy Forum (NEF), viewing it as a key catalyst to kickstart the heavily-battered meetings, incentives, conventions and events (Mice) industry.

"We have had a couple of false starts earlier this year – the Shangri-la dialogue was postponed with approximately 10 days of notice; we also lost significant events like the World Economic Forum arising out of the pandemic," said Dylan Sharma, vice-president for advocacy and communications at the Singapore Association of Convention and Exhibition Organisers and Suppliers (SACEOS).

The Shangri-la dialogue is now scheduled for Jun 10 to 12 next year.

Explaining the "controlled environment" that Mice events are held in, Sharma told *The Business Times* that the industry has adopted vaccination-differentiated safe management measures "from the very start".

The Singapore International Energy Week (SIEW) 2020 was the first large-scale event to be held – in October last year – since the Covid-19 pandemic began.

There has also never been a single cluster that arose from an Mice event in the past year, he added.

Nonetheless, unhappiness has been mounting among local residents and many in the food and beverage industry about the perceived inconsistency and unfairness of the relaxed dine-in cap, which does not extend to the rest of the country.

Minister Gan Kim Yong (above) says: "Eating is one of the key features in such events – it is part of necessity that they (delegates) need to eat, and at the same time, and they actually want to continue the discussion... with other participants." PHOTOS: MCI, BT FILE

Since Sep 27, only 2 vaccinated diners can eat out together, and the Covid-19 multi-ministry taskforce last Wednesday (Oct 20) extended this rule by another four weeks until Nov 21, on the account that Singapore's healthcare system is at risk of being overwhelmed amid a high number of daily new cases and deaths.

On Sunday, *The Straits Times* reported that groups of up to 5 may dine together at NEF venues and other designated restaurants in the city, and that guests can include non-NEF delegates, citing a note from Economic Development Board chairman Beh Swan Gin to delegates.

Explaining the rationale to reporters on the sidelines of SIEW 2021, Trade and Industry Minister Gan Kim Yong said business networking is a key objective of events like the Bloomberg forum, which takes place Nov 16 to 19.

"They can talk business with one another, and not just one to one, sometimes they need to discuss in a group setting and therefore, we allow them to have a larger group and when they are dining. They also need to make use of every moment that's available because many of them travel from many different places, from faraway places, and they do want to maximise the value that they can get while they are here," Gan said.

He added: "Eating is one of the key features in such events – it is part of necessity that they need to eat, and at the same time, and they actually want to continue the discussion and the interaction and networking with other participants."

Gan also said organisers are still in discussion on where these designated restaurants will be, but they are "likely to be restaurants in hotels in the vicinity" of Capella Singapore hotel, where the forum is held, so that it is easier for them to travel there.

He also noted NEF participants are subject to "very strict protocols" and they must undergo daily pre-event testing, although they will be exempted from quarantine if their on-arrival polymerase chain reaction (PCR) test is negative.

Gan said the Bloomberg forum is not just important for the recovery of Singapore's Mice industry, but also critical for the Republic's strategic position as a business hub.

"The Bloomberg forum is a vote of confidence for Singapore and our ability to manage Covid-19 and our journey to living with Covid-19," Gan added.

According to Sharma, large-scale events are "critically important" to Singapore to reinforce its status as a Mice hub and to bring back livelihoods for the thousands that work in the industry.

"We have lost many capable people within the Mice industry, and reopening the Mice industry is of paramount concern that allows us to bring back personnel into the industry, allows us to maintain Singapore's status as a Mice hub," he noted.

"I fear that if we don't press ahead, it will take a long time before we can rebuild that reputation."

Proportion of law trainees landing practice contracts that will enable them to be called to Bar has risen to 9 in 10

By Tay Peck Gek
peckgek@sph.com.sg
@PeckGekBT

Singapore

WHILE segments of the labour market are reporting mismatch in demand and supply, it appears that the legal sector is close to some form of equilibrium, at least at the training stage.

There are still more trainees chasing practice opportunities at law firms, but the imbalance has improved to only 1 in 10 not landing a training contract, compared to as many as a quarter without the Bar admission ticket in 2014.

Statistics from the Ministry of Law showed that the number of law graduates taking up practice training contracts has been consistent, at around 600 to 680 each year between 2016 and 2020.

A spokesperson for the ministry noted: "This is about 9 in 10 law graduates, which is an improvement from 2014, when we estimated that there were about 490 practice training contracts for nearly 650 graduates."

Service of a practice training period is a requirement for entry to the Singapore Bar.

President of the Law Society of Singapore, Gregory Vijayendran, thinks that there is now a largely dynamic equilibrium in terms of supply and demand. The Senior Counsel said: "There appears to be a market correction since the government's announcement of a few years ago."

Back in 2015, the law ministry had drastically cut the number of British universities approved for graduate admission to the Singapore Bar. This was in a bid to ensure quality legal talent, with intakes from 2016 onwards affected by the change. The number of Singaporean law students in the UK had surged from 350 in 2008 to 1,142 in 2013. Competition for the 6-month practice training contract at law firms turned stiffer, as the overseas graduates compete with those from the local law schools as well.

WongPartnership's Ng Wai King (left) says: "We are always keen to welcome the best young legal minds to the firm and to that end, we have actually hired more practice trainees this year compared to last." Dentons Rodyk & Davidson's Loh Kia Meng (centre) has observed that there is generally a greater demand for practice trainees now. The Law Society of Singapore's Gregory Vijayendran (right) thinks that there is now a largely dynamic equilibrium in terms of supply and demand. PHOTOS: WONGPARTNERSHIP, DENTONS RODYK & DAVIDSON, THE LAW SOCIETY OF SINGAPORE

WongPartnership, one of the Big Four law firms in Singapore, has increased the number of training contracts offered over the years, with over 40 trainees taken on board each year. The firm's managing partner Ng Wai King told *The Business Times*: "We are always keen to welcome the best young legal minds to the firm and to that end, we have actually hired more practice trainees this year compared to last.

"This continues a general trend over the past few years where we have taken on an increasing number of trainees. This ensures a vibrant talent pool in the firm and also allows us to do our part in nurturing the next generation of lawyers."

Another one of the Big Four, Drew & Napier, stated that the firm has been expanding its intake of trainees as it continues to grow in Singapore and into the region through Drew Network Asia. Its director Foo Yuet Min stated: "We are taking in significantly more trainees and we always have space for good trainees. A significant number of our trainees come from our internship programme, which we are very proud of.

"The time spent together during the internship usually gives both sides a good platform to get to know each other, which usually contributes towards ensuring a good fit when it comes to a career with us. We therefore made great efforts to continue with our internship programme, albeit virtually, throughout the pandemic."

But she stopped short of furnishing the trainee numbers Drew plans to hire.

Loh Kia Meng, Dentons Rodyk & Davidson senior partner and chief operating officer, has observed that there is generally a greater demand for practice trainees now. Dentons has not decided on its trainee headcount for this year.

Loh pointed out that the numbers from the Law Society continue to show a hollowing-out of mid-career lawyers with between 5 and 15 years of practice, as this group of 1,690 was the smallest compared to 2,214 practitioners with under 5 years of experience and 2,429 counsel who have practised for over 15 years.

He also sees more young lawyers becoming in-house counsel or pursuing opportunities outside of private legal practice, when these lawyers and practice trainees are needed to fill the gap left by the departure of mid-career lawyers.

Another Big Four, Rajah & Tann, however, has not seen a sharp increase in demand for practice trainees, and it has consistently been offering an average of about 40 to 50 training contracts per year.

Lee Shulin, co-founder of Ansa Search, pointed out that there has not been a corresponding increase in practice training contract positions with law firms despite the number of law graduates more than doubled with more universities offering legal education.

Formerly practising with a Big Four, Lee said: "While the situation has improved slightly with law firms now experiencing a severe shortage of talent, it's still a lot more competitive for law school graduates to land that highly coveted training contract with a top tier local law firm."

While the market correction has cut the oversupply of trainees, there are still a small number of law graduates without the training contract and thereby fail to have their names on the roll of advocates and solicitors.

"We can do more, because you know we don't want to have someone who's invested 4 years of their life... end up... kind of not using that skill set, for which many people in society would benefit, many people would receive the niche expertise that is found in a legally qualified person..." said the Law Society's Vijayendran.

To incentivise law firms to furnish practice training contracts, the Law Society last year put up guidelines on charging out for trainees' services to mitigate the hiring firms' costs.

Vijayendran said charging out recognises the trainee's contributions and value as well. He reiterated, however, the firms' clients must be informed about the billing, and the fundamental nature of training must not be diluted.

Ng Yu Zhi faces another 18 charges; allegedly swindled 2 out of S$20m

By Tay Peck Gek
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Singapore

NG YU Zhi, the accused alleged to have perpetrated one of Singapore's largest investment fraud schemes, has been slapped with another 18 charges on Oct 25.

The charges relate to two individuals said to have been conned of some S$20 million collectively.

Ng, 34, now faces 69 charges. The prosecution told the court that it reserves the right to ask for the current bail of S$4 million to be raised. Deputy Public Prosecutor Kevin Yong also said that investigations against Ng are ongoing.

Ng's new set of charges allege that he duped an investor Nai Soo Tong twice into parting with a total of S$11 million and US$1.8 million over 5 months to buy receivables for the sale of London Metal Exchange-registered nickel briquettes.

Nai had allegedly first in October 2020 to January invested S$7 million and US$1.8 million, and then again in February another S$4 million in such receivables.

However, there were no sales by the firms Ng was a director of, and the receivables were fictitious, the prosecution has alleged.

Ng's other victim Ong Suat Kuan, named in the charges tendered on Oct 25, was said to have pumped US$4.1 million and S$400,000 between October 2020 and January into similar receivables over nickel trading that was said to be non-existent.

Ng's other alleged offences accuse him of instigating an individual to lodge a document with the Registrar of Companies to falsely show that the paid-up share capital for his company Envy Global Trading had increased from S$1,000 to S$1 million.

He also had allegedly caused Envy to engage in a business to defraud investors to purchase receivables that the company would purportedly receive from its forward contracts for nickel trading.

Ng's next court mention is on Dec 20.

No jab, no job; companies can also let go of unvaccinated staff as last resort

Continued from Page 1

As for the dismissal of staff who are eligible but refuse the vaccine, this is also more likely in interaction-heavy industries, said HR players.

Narale felt it was too early to tell if firms are likely to resort to termination, as the advisory "sets out clear alternatives", but added: "As with hiring, public-facing roles such as those in F&B, hospitality, healthcare and fitness, may be most impacted."

While some firms may terminate unvaccinated staff in interaction-heavy roles, this is usually the last resort, said Dass. Employers would first provide support and protection, such as frequent testing and work-from home arrangements, she added.

But Leong expects firms to be willing to dismiss unvaccinated staff if they affect operational performance, adding: "Any punctuated disruptions can have serious implications for downstream production activities."

Stefanie Yuen Thio, joint managing partner at TSMP Law Corporation, said the updated advisory sets out what she believes is the "right position at law".

"If unvaccinated staffers cannot do the full scope of their work, or cannot produce as efficiently, then it's right that their performance rating reflects this," she noted, adding: "You should not terminate someone's employment simply because they are not vaccinated. But if they are unable to perform optimally due to this purely personal choice, then it's not wrong to have that reflected in their work reviews."

Yuen Thio also said "a lot of people pay the price" for an employee who refuses to get vaccinated without valid medical excuse, as they are more likely to exhibit severe symptoms from Covid-19 and this could increase the strain on the healthcare system. "In addition, as a business person and a tax payer, I'm concerned that the continued number of severe cases is stalling the opening of the economy, and I also wonder if our tax dollars should provide subsidised healthcare for those who wilfully refuse to be vaccinated."

With 70 per cent of firms having reached full vaccine coverage for their workforce, the tripartite partners have urged the remaining 30 per cent to make a "concerted push" to get their unvaccinated employees to be vaccinated as soon as possible.

Companies can now check their company's vaccination rate at *https://go.gov.sg/percentvaccinated.*

On Saturday (Oct 23), Singapore's Covid-19 multi-ministry taskforce said 96 per cent of the country's workforce is vaccinated. Of the remaining 113,000 unvaccinated employees, over 10 per cent are seniors.

Tan Hian Hong
VP, Division Underwriting Manager, Asia operations
FM Global Asia

THE cargo crunch caused by shipping delays is a reminder that many businesses have yet to diversify supply chains to mitigate the impact of just-in-time business models. The best way to manage these risks is to go back to fundamentals: build knowledge around your supply chains, assess what you know and identify gaps. Businesses need a contingency plan that can ramp up other manufacturing plants or consider alternative transportation modes or routes. This minimises delays and enhances competitive edge over peers who are scrambling to put together contingencies in real time. Building business resilience will add value as economies recover and transform in response to new supply chains and new risks.

Kelvin Lim
Founder and Group MD
Pacific Logistics Group

THE recent challenges have exposed the vulnerability of our supply chains and caused a global dominoes effect. As a result, there have been unprecedented disruptions across the board, affecting businesses and consumers alike.

The situation remains fluid and fraught with challenges. To this end, it is critical to remain flexible to react quickly to the uncertainty on hand. The importance of long-standing relationships with partners has also come to the fore in such volatile times. Our established network has enabled us to expedite shipping processes and secure competitive shipment slots and rates for our customers while offering valuable insights for us to manage unpredictable freight frequency.

Dharmesh Arora
Regional CEO (APAC)
Schaeffler

THE collapse and subsequent surge in consumer demand, combined with other factors, has caused huge stress in the supply chain. Restoring order in the system will take time but will eventually be accomplished. This episode has shown the critical importance of agility and flexibility. Investments in data and analytics will take centrestage as real-time supply chain visibility, supply chain analytics, and access to customer planning data become some of the necessary capabilities to optimise business continuity plans and minimise disruptions. Our regional presence allows us to localise supply chains, thus being more responsive in tackling disruptions and overcoming challenges.

Dileep Nair
Independent Director
Thakral Corporation Limited

SUPPLY chain risks have always lurked in the background. The US-China trade war and the pandemic have brought these to the fore. Neglecting to audit supply chains for blind spots will cost companies dearly since "you can't fix what you don't know". Companies must appreciate that customer service is at the heart of supply chain management.

More resilient supply chains can only be built through strong supplier/buyer relationships, partnering with freight forwarders, real-time visibility from procurement to last-mile delivery, and strategies for diversifying the supply ecosystem. Periodic simulation to stress-test the system is also essential. Ultimately, though, there's only so much that a business can do while accepting that supply chain disruptions are part of the new normal.

Thomas Knudsen
Managing Director
Toll Group

TODAY'S geopolitical events have an outsized impact on global supply networks, elevating supply chain resilience as the key to global trade success. Single source supply chains have become less viable, with diversified supply links, innovative technology, and hybrid freight models essential for supply chain resilience.

With South-east Asia becoming an attractive location for offshoring due to its manufacturing capabilities and proximity to China, engaging supply chain partners capable of navigating the unique nuances of business in Asia will be vital for long-term growth, something which Toll Group successfully delivers for global businesses throughout Asia.

Keith Budge
EVP, Asia Pacific and Japan
Teradata

EVEN as retailers re-pivot to omnichannel strategies in the wake of the pandemic to create more holistic touchpoints with consumers, they have yet to fully leverage the rich sources of data available across all channels. They thus stumble to glean integrated insights and better predict demand and supply, resulting in sub-optimal inventory management.

Conversely, those that invested in integrated supply chain data analytics during the pandemic are positioned to respond better to demand and supply fluctuations and the challenges following the ongoing power crisis. It is clear that retailers must re-evaluate how they can systematically utilise the wealth of data in their hands to build supply chain resilience.

Josephine Ong
MD, Asia Pacific South
Dassault Systèmes

THE ongoing disruptions indicate that today's supply chains lack resiliency and this can be improved through digitisation. Digitisation will enable supply chain flexibility, resiliency and sustainability, through improved end-to-end visibility, better problem-solving and decision-making.

Businesses must aggregate and digitise all sources of data across their stakeholders and invest in a collaborative digital platform for digital continuity of processes and ecosystem collaboration. Integrated logistics planning and route optimisation on this platform means that stakeholders can collaborate for win-win outcomes.

Chia Ngiang Hong
President
Real Estate Developers' Association of Singapore (REDAS)

CURRENT widespread supply chain problems hasten the need for businesses to build in resilience to mitigate the impact of unexpected external changes on their operations. It underscores the importance of diversification of manufacturing locations and suppliers' networks across different geographical regions and utilising different transportation modes and routes so as to avoid risks of excessive reliance on select few sources.

Businesses should deepen relationships with suppliers to strengthen reliability. The current problems have also demonstrated the need for enhanced demand forecasting on the part of businesses so that they can strike a more optimal balance between inventory levels, warehousing costs and consumer demand and thereby avoid sudden extreme fluctuations.

Predictive data analytics to model trends can provide greater visibility and adapting to other online modes or channels both B2B and B2C may also help companies thrive in uncertain and volatile environments and outperform their peers.

Chris Humphrey
Executive Director
EU-ASEAN Business Council

DIVERSIFIED supply chains have been critical since the start of the pandemic, but only 13 per cent of European businesses in Asean are looking at supply chain relocation in a recent survey that we did. This is not surprising given how costly and complex the change process is: 81 per cent of respondents cited too many barriers to efficient use of supply chains in the region. But if those barriers were removed, 87 per cent said they would use Asean supply chains more. The lesson here is that companies need to act faster on diversification, and Asean governments need to do more to remove barriers to the efficient use of supply chains.

Shawn Louis
Executive GM, Cainiao and Chief LazGlobal Logistics Officer

THE pandemic has accelerated pre-existing digitisation trends and cast a spotlight on operations resilience in the logistics and supply chain industry.

This has signalled the need for a stronger digital infrastructure that fosters greater agility and transparency to best mitigate cargo crunch, disruption in schedules and growing demands of consumers and merchants. Here, leading logistics companies have begun to incorporate new technologies, such as cloud-based systems, data analytics and AI, to streamline their logistics and supply chain management which facilitates greater real-time visibility and control.

This includes real-time optimisation of operations, tracking and tracing of goods and resources, and the use of robots in smart warehouses and last-mile logistics to enhance productivity and delivery accuracy.

Smart logistics and supply chain management will continue to play an instrumental and fundamental role in facilitating global trade and e-commerce. To remain competitive in today's fast-changing market, companies need to recognise the value of digitisation and make it a business imperative.

Mark Billington
Managing Director International
ICAEW

ACCORDING to ICAEW's latest Economic Forecast for Q3 2021, regional trade flows have indeed been hindered by disruptions to supply chain, global freight and logistics sectors arising from the pandemic. Shortages in inventory and congestions in the world's key ports have hit globally and contributed to a plateau in manufactured goods, and in turn, an increase in consumer prices.

While we expect that these issues will resolve over the next few quarters, they have also served to highlight the importance of building business agility. Businesses need to have an agile approach to strengthen their operational resilience against disruptions and adapt their systems and processes in view of business continuity.

This will enable them to quickly adjust their operations to meet changing market conditions and embrace changes that can improve their supply chain efficiencies in the long run.

Mario Singh
Chief Executive Officer
Fullerton Markets

THERE are three main lessons and corresponding solutions that can be drawn from the ongoing supply chain challenges worldwide. Firstly, shifting from a "just-in-time" strategy to a "just-in-case" one.

Many enterprises are starting to embrace the wisdom of planning ahead so that delays like these can be averted.

Secondly, alternatives like air freight should be considered.

Admittedly, air freight might not be as cheap as sea freight but suggestions include shifting only urgent inventory to air freight, cutting costs from other operational areas in the business, and possibly raise prices slightly to balance out the financial equation.

Finally, the importance of having backups. Businesses have to start expanding their base of suppliers and pivot towards those that are geographically nearer. This way, much of the risks will be mitigated. Many of these changes are uncomfortable and costly, but businesses have to also consider that failure to implement some of these measures could end up being more costly in the end.

Murli Ravi
Co-founder
Tin Men Capital

UNFORTUNATELY, the lessons are not new: many of the current issues are a direct result of constraints that have been known for some time yet have not been addressed due to a lack of adoption of digitisation and/or change in historical business processes that are now redundant for managing the complexity of today's global trade network.

While generally, key industry stakeholders have attempted to drive investment in technology and innovation to solve for major issues around connectivity, data-sharing and real-time information capture, mostly this has been orientated towards individual agendas rather than core long-term problem-solving across the entire network of global participants at all levels who play a part.

Perhaps record profitability, after years of financial volatility and industry uncertainty, can be the catalyst to drive deep change through the adoption and implementation of enterprise technology solutions that can solve for issues such as excess detention and demurrage costs, inefficient land-side logistics transportation, and global container fleet imbalances.

Nidhi Gupta
Co-founder & CEO
Portcast Pte Ltd

DELAYS will be the new normal in global supply chains. External risks and disruptions are only going to increase due to the inherent global nature of supply chains. While Covid-19 created an initial demand shrinkage followed by a shipping boom, there have been other disruptions related to weather, policy changes, congestion, port closures and strikes. Such unforeseen and unplanned disruptions are only going to continue.

Logistics companies and manufacturers need to have more proactive responses to external risks and disruptions.

This requires the ability to predict the impact of such events on their trade flows and cargo. Technologies like artificial intelligence and predictive analytics, combined with geospatial data, shipping and ports data, enable companies to get predictive alerts if there's risk to their cargo.

They would also be told the reasons behind the risks, and the recommended actions – ie update inventory plans, expedite freight from other locations, manage customer expectations, and reduce port detention and demurrage fees.

Onat Bayraktar
Vice President
Sealed Air Asia

WE NEED to start thinking about the supply chain in new ways. Our ability to manage business disruptions depend on it. Through the lens of Covid-19, we have seen just how interconnected and interdependent the global supply chain is.

Better ways are needed to track, measure, manage and prevent disruptions. In short, greater risk mitigation and not just management. For Sealed Air, we're investing in our future through automated, digital and sustainable packaging solutions to better address labour scarcity, peak demands, supply chain visibility and waste reduction.

Our customers are counting on us to protect their perishable and essential products from factory to store, and from store to doorstep.

Morgan Terigi
CEO and Co-founder
Incomlend

WE SEE supply chain disruptions triggering significant repercussions across industries, with manufacturers and exporters facing greater credit risks, restricted cash flows and cancelled orders due to disruptions. Businesses are also facing greater market volatility and ambiguity in supply-and-demand trends, making future planning harder. These challenges impede small and medium enterprises (SMEs) from financing their next production or purchasing cycle, leading to more revenue losses.

SMEs must find alternative options to insulate themselves from credit risks and safeguard their financial health to stay financially viable. The world needs time to make the global supply chain more efficient and resilient.

To remain buoyant, SMEs must diversify their access to funding and leverage alternative financing solutions. Furthermore, they should consider non-recourse financing options, such as the off-balance-sheet invoice finance solutions, to improve their cash flow while keeping their debt-to-equity ratio low.

Lim Soon Hock
Managing Director
PLAN-B ICAG

THE supply crunch was unprecedented, so many businesses were caught off guard. There are many useful and insightful lessons to be learnt.

All will influence critical decisions that need to be taken urgently to overcome the consequential problems of logistics. There is no perfect solution. Companies will have to live with the constraints for now, while trying to find ways to solve or minimise the logistical problems. For example, switching to achieve self-sufficiency in the home base may not work for all businesses.

The other solution, which many companies are rushing to put in place, is to expand the sources of supplies. Even this has limitations in terms of delivery times, costs and competition.

Businesses often want to achieve more with less, but the ongoing supply chain problems would force companies to deviate away from this principle. Companies now must have more to achieve the same. This may require businesses not just to compete but to complement each other more, for the larger benefit of the industry.

Karen Clarke

Managing Director, Asia-Pacific
Anaplan

BETWEEN port disruptions, skilled labour shortage and increasing freight rates, organisations cannot afford to operate as they always have. Relying on historical data will no longer suffice. Now, building a more nimble and resilient supply chain is an imperative that requires looking to a future where market demand changes by the minute.

jcross-functional teams leverage data to identify the financial impact of changing demand, the state of their supply chain, and other potential bottlenecks. Aside from using technology to drive predictive intelligence and resilience planning, organisations need to normalise shorter planning horizons and blend supply chain thinking with operational performance to help them respond effectively when the tide turns.

Danny Wong
Executive Officer and GM
LHN Group

WITH the ongoing supply chain problems, our Work+Store brand has noted that our users – particularly e-commerce business owners – are facing a rise in shipping costs. Many of them are also stocking up ahead for the festive demand, to ensure there are enough goods for end-of-year sales events.

Storage and warehousing play a crucial role in today's supply chain. To ease end-to-end costs for businesses in light of higher freight expenses and volatile shipping timelines, storage spaces need to provide flexible leasing terms and flexible sizes for their users, allowing them to customise their storage spaces when needed. This leads to greater cost-efficiency and prevents additional fixed costs from being passed on to consumers.

Zaheer Merchant
Director – Corporate Affairs
QI Group of Companies

BUSINESSES are optionless but to plan ahead on a constant (even daily) basis, set up risk mitigation, adopt diverse manufacturing or supply strategies and processes to deal with man-made, natural causes or "acts of God" events. Whether localised or offshore, every event upstream and downstream is an issue which must have a contingency plan in place. The over-reliance on every facet of technology has made businesses semi-conductor- and data-dependent.

All business risks will culminate here, so relationships between all levels of suppliers must be enhanced towards this end. Any business that fails to pivot in the new normal arising from these supply chain issues is not merely going to lag behind, but may fare worse.

Henry Tan
Group CEO
Nexia TS Group

THE ongoing global supply chain challenges teach us a few lessons. Firstly, the world is highly connected; whatever happens in one country can quickly affect another. Secondly, supply chains facilitating free movement of goods are crucial for world order. We cannot take these free flows for granted. Thirdly, most products still move across countries on ships and trains, the traditional means. Efficient shipping and rail networks are key to functioning supply chains. Lastly and most importantly, the supply chain is important to human survival; without it people can't work, move and earn a living. Meanwhile let's earn all we can, save all we can, and give all we can.

David Leong
Managing Director
PeopleWorldwide Consulting Pte Ltd

THESE are abnormal times where the global economy is undergoing unprecedented Covid-induced stress with fractured and disrupted supply chains. When movements of people are constrained, work can get disrupted over prolonged period. Piles of containers stacked at ports, idling vessels waiting outside the harbour, disrupted shipping timing are now common. Supply chains are in disarray and transport routings are not optimised. To restore order, the global system must re-align for businesses. The first order of business is to open up the economy to unblock choke points.

The lesson here is that closed borders affects lives globally. The instability, disorderliness and disequilibrium of supply-demand chains need recovery. It's like the global economy has had a stroke and is suffering a bad seizure.

NOTICES

Tel 6289-8822 | Email notices@sph.com.sg | www.sphclass.com.sg

Form 69(3)
NOTICE OF INTENDED DIVIDEND

Name of Company	: SLE Power Engineering Private Limited (In Compulsory Liquidation)
Singapore UEN No.	: 200809276W
Address of Former Registered Office	: 1 Kaki Bukit Road 1 #02-45 Enterprise One, Singapore 415934
Court	: High Court of the Republic of Singapore
Number of matter	: Companies Winding Up No. 169 of 2016
Last Day of Receiving Proofs	: 8 November 2021
Name of Liquidator	: Farooq Ahmad Mann
Address of Liquidator	: c/o No. 3 Shenton Way, #03-06C Shenton House, Singapore 068805

Dated this 25th day of October 2021
Farooq Ahmad Mann
Liquidator

MANN & Associates PAC
Chartered Accountants of Singapore

ASSETS FOR SALE

The following assets of a company in liquidation are available for sale on an "**as is, where is**" basis:

Office Equipment, Computer and Equipment, Server Racking System, and Various Furnitures

Viewing strictly by appointment only. Interested parties, please contact Ms Bella Farida at telephone No. 6222 7496 and/or by email at email address: bella.farida@mann.com.sg

Mann & Associates PAC
3 Shenton Way, #03-06C Shenton House, Singapore 068805

IN THE MATTER OF
THE COMPANIES ACT (CHAPTER 50)
AND
IN THE MATTER OF
CHEOW HENG (S) PTE. LTD.
(In Creditors' Voluntary Liquidation)
Reg No. 201500077G

NOTICE OF FINAL MEETING

NOTICE IS HEREBY GIVEN that pursuant to Section 308 of the Companies Act, Cap 50, the Final Meeting of the abovenamed Company and the creditors will be convened and held by way of electronic means on the 25th day of November 2021 at 10.00 a.m. for the purposes of having an account laid before the meeting showing the manner in which the winding–up has been conducted and the property of the Company has been disposed of and hearing any explanation that may be given by the Liquidators.

Dated this 25th day of October 2021

Lin Yueh Hung
Ng Kian Kiat
Liquidators
c/o 8 Wilkie Road
#03–08 Wilkie Edge
Singapore 228095

RSM

IN THE GENERAL DIVISION OF THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

Companies Winding Up)
No. 33 of 2021)

IN THE MATTER OF
THE INSOLVENCY, RESTRUCTURING AND DISSOLUTION ACT 2018
(ACT 40 OF 2018)
THE INSOLVENCY, RESTRUCTURING AND DISSOLUTION
(CORPORATE INSOLVENCY AND RESTRUCTURING) RULES 2020
AND
IN THE MATTER OF
KOBIAN PTE. LTD.
(In Liquidation)
(Singapore UEN No. 197800607E)

NOTICE OF MEETING OF CREDITORS

Notice is hereby given that a meeting of creditors in the above matter will be held by way of electronic means on the 5th day of November 2021 at 2:30 p.m. for the purposes of:–

a) providing an update to creditors on the status of liquidation; and
b) any other business.

Dated this 25th day of October 2021

OON SU SUN
NG KIAN KIAT
Liquidators
c/o 8 Wilkie Road
#03–08 Wilkie Edge
Singapore 228095

RSM

Patrick Lee
Cluster CEO, Singapore and Asean Markets
Standard Chartered Bank

Navigating geopolitical complexities, climate change, social inequality and the Covid-19 pandemic have accelerated the urgency for companies to consider how they can drive sustainable progress.

Companies can build on their strong foundations and successes to step up their game, and embrace new business models and new ways of working. However, it is equally important to ensure that globalisation and innovation are sustainable and benefit everyone – leaving no one behind.

Hence, embedding core values into the strategy will give employees a clear sense of purpose – because what they do today can and will impact future generations.

Companies should take a greater stand on addressing climate change by accelerating net zero, ensuring greater financial inclusion by empowering women and small businesses, and working closely with partners and government agencies to promote fairer trade through digitalisation.

Boo Hui Yun
Head of Asia
Munich Re Specialty Group

The world is undergoing rapid unpredictable and unprecedented change. This new normal means companies need to develop the ability to anticipate and respond quickly to change and disruptions to thrive in the future.

To navigate the increasing demands and expanding risk landscape of both internal and external risks, and to develop an understanding of the inter-connectivity and impact of these risks on the company's strategies and viability, companies will have to inculcate a dynamic risk management mindset.

A corporate culture which drives a dynamic risk management mindset, trust, adaptability, diversity and continuous learning, is key to building strong corporate resilience.

Today's businesses must also demonstrate good corporate governance and a sense of social responsibility. With an increasing focus on ESG, redefining the corporate purpose to ensure alignment of its vision and ability to serve the greater good is imperative for a long-term sustainable future.

Ari Sarker
Co-President, Asia Pacific
Mastercard

Recent unprecedented challenges have underscored how interconnected our world is – and how it's incumbent on all of us to work together to rebuild an economy and society that works for everyone. Acknowledging these truths and acting accordingly is most critical for building enduring, resilient businesses. At Mastercard, we see how our commitment to environmental and social responsibility – and how operating ethically, sustainably and with decency – is directly connected to our continuing success as a company. Blending purpose and profit is at the heart of our culture and strategy. It's what we mean by doing well by doing good – and it just makes good business sense.

Sandie Overtveld
Vice-President
Walkme Asia Pacific

The pandemic has fundamentally shaken and challenged how organisations engender trust, support and become resilient. We have seen that resilient organisations are the ones with a key focus on people, customers and the community. Technology has differentiated the winning organisations – those with stringent corporate governance and data handling practices – from the rest. Robust data privacy and handling controls today are critical in engendering trust as well as support for these organisations, especially in the crucible of a crisis. Building resilient organisations requires good corporate governance, putting people first and working towards higher standards of trust.

Joshua Yim
Chief Executive Officer
ACHIEVE Group

Now, more than ever, businesses need to recognise they have commitments to the community they work with. Their customers expect them to provide more than just quality goods and services, their employees want to be incentivised beyond a pay package. Both their customers and employees want to be associated with something that promotes the good for all now and in the future. To deliver on this, companies need to look beyond profitability in defining their purpose. This will then drive the skills, values and culture they need to achieve their goals. Above all, their defined purpose will determine the people it attracts and retains to enable it to integrate a corporate governance that fosters the sustainability it seeks to promote.

Assaf Tarnopolsky
SVP and GM, APAC
Genesys

Organisational resilience is built on a foundation of DE&I and empathy – principles that contribute to sustainable governance. At its centre are "people" who build businesses and propel successful enterprises into the future. Strategy, solid work ethic and innovation are equally vital. At Genesys, our product suite is designed and engineered to deliver empathy – not just once, but twice! First, our cloud-first solutions enable our clients' teams to work from anywhere, acknowledging the new challenges of working in a pandemic and empowering flexibility. Second, our AI/ML led products enable our client's customers to feel remembered throughout their customer journey. The essence is to deliver "empathy" across people, products and services.

Charles Ferguson
General Manager, Asia Pacific
Globalization Partners

The conversation around corporate governance has historically been focused on a world of centralised, hierarchical and usually large corporations. This approach worked best when these large corporations were the primary engines of economic growth, but makes much less sense in the age of the flatter, innovation-driven economy we are operating in today. The impact of climate change and the existential threat it poses has reached a tipping point. To address this at scale, there must be an accepted framework of governance, and there must be ability to revisit, refine, and redeploy to remain relevant.

With this evolution, we must spotlight policies aimed at promoting a longer-term and more socially and environmentally responsible view of corporate governance. Since independence in 1965, Singapore has been successful in executing a framework and structure within which businesses can establish, operate and thrive. If we can continue to refine and tweak our model, developing a new direction for corporate governance, we stand to be the primary beneficiaries of the digital transformation required to future-proof our economy.

David Jacob
Chief Executive Officer
Marsh Asia

As the regional and global risk landscape becomes increasingly complex, a resilient business must implement robust mechanisms to anticipate future risks, model and forecast their impact and build the agility needed to respond and recover from crises with minimal impact on the business.

Embarking on this journey to build an enduring, resilient business involves four critical steps and behaviours: anticipating important risk issues; connecting risk management to business strategy; avoiding gaps in the perception of preparedness; and measuring relevant data. This framework can help businesses transform risk management, seize growth opportunities during times of stress and gain competitive advantage.

Cassandra Goh Shiou Ling
Executive Director
Silverlake Group

At Silverlake Axis, building business resiliency stands for solid fundamentals, governance, innovation, and people that ensure success. As people are the most important assets of any company, we have invested heavily in our team to drive growth opportunities through a culture of high-performance.

Combined with our values and commitments that are built upon governance and transparency, we establish business resilience amid rapid digital transformation through our continued reflection and improvement to maintain long-term value for our stakeholders. Innovation around the needs of our staff and customers remains at the core of our business activities to achieve sustainable and continued growth.

Salim Dhanani
Chief Executive Officer
BigPay

It is crucial for organisations to focus on sustainability and ESG principles to build enduring and resilient businesses. It empowers companies to weather changes and challenges – whether economical or otherwise – as we have seen with the pandemic. As business leaders, we must strive for financial and business model sustainability while being mindful of our impact on the environment and society at large.

At BigPay, we are working to implement these sustainability and ESG principles as we pursue our ambitions of providing equal financial access to all. The current focus on the environment and climate highlights the need for companies like ours to do our part, beyond operational sustainability.

Simon Green
President, Japan & Asia Pacific
Palo Alto Networks

Regardless of a company's purpose, culture, or corporate strategy, the key to a resilient business is in its people. Putting our employees at the heart of our business has been a constant focus of our organisation well before the disruption of the pandemic. Paying attention to small details such as birthdays, work anniversaries; intimate small group engagements, make up the building blocks of our resilient culture. Prioritising time to speak and listen to one another is the basis for trust and bond amongst teams.

Given how businesses have dramatically embraced technology especially in recent times, a model that truly balances work and life in this hybrid work arrangement is imperative in order to foster well-being. Companies that can provide a level of trust and flexibility for employees to choose how they want to work will create a platform for optimum performance. Personal and professional well-being will lead to optimum performance that results in exceptional outcomes for all the constituents of an enduring and resilient company.

Lim Ee Ling
Head, APAC Business Development
500 Global

Corporate surveys and studies show a positive relationship between ESG and financial performance. Core ESG principles – such as diversity and inclusion, gender equity and environmental sustainability – can help uncover opportunities to build financially successful businesses while building readiness and resilience for emerging changes.

Timing is also critical. It is easier to integrate ESG in the nascent stages of a company. For early-stage firms, ESG reporting is an ongoing opportunity to track progress in meeting sustainability milestones, build competitive advantage, and ultimately, set meaningful goals that can attract future customers, investors, and talent.

Josephine Ong
MD, Asia Pacific South
Dassault Systèmes

Business resilience has taken on a new definition since the pandemic. Success in today's economic conditions is determined by an enterprise's ability to adapt their business model and operations to changes and evolve their people and processes to capitalise on new opportunities for growth.

People are a business's greatest strength and critical to building enduring, resilient businesses. Focusing on employee well-being, both mental and physical, and embracing new digital means of collaboration as the workforce moves towards remote working and virtual workplaces, will enable businesses to be successful despite external challenges. It is also important to keep a customer-centric focus. Above all, businesses that embrace sustainability are stronger organisations.

Kotaro Tamura
Adjunct Professor (Executive Education)
Lee Kuan Yew School of Public Policy,
National University of Singapore

Covid-19, the age of information, generational change, value shifts and regulations, put pressure on businesses' perceived sustainability performance. Stakeholders today have a lot more power and means to engage in boycotts, environmental activism, social media campaigns against company practices, activist investing and more.

In order to navigate this landscape, businesses need to focus on connecting with future consumers and next-generation talents in order to constantly communicate how much their company understands and respects sustainability. This significance on sustainability will then have to be reflected in every process of its supply and value chain. Through my programme at Lee Kuan Yew School of Public Policy, I'll be sharing more of such insights and how we can actively educate stakeholders, including existing employees, about sustainability.

Rene Buehlmann
CEO, Asia Pacific
abrdn

In our experience, companies with stronger governance structures, which embrace diversity and sustainability, and which have a long-term mindset and perspective, are often more resilient and tend to perform better in the long run. It's vitally important that companies recruit people with diverse skills and empower them to think as owners, and nurture a culture of long-term resilience and adaptability. On top of this, there needs to be a strong and consistent message on sustainability across the organisation, and so leadership and tone from top are important in driving this.

Sanjeev Kumar
Senior Country Manager for Singapore and
Head of SE & South Asia
Natixis

I believe this comes down to a strong foundation, adaptability, the ability to respond to rapid change and to transform at an appropriate pace, while maintaining a strong sense of purpose, corporate culture and identity. Natixis has been steadfast in its focus on ensuring its operations are as agile as possible, while maintaining the necessary risk and control functions. But it has also been focused on ensuring that wherever and however employees are working, they remain connected to the culture that has been developed over the years. Indeed it is not easy, but establishing this strong core allows companies to be resilient, and navigate through the good and the bad.

Remco den Heijer
Vice-President, Asean
SAS

The world is moving at a much faster pace and there is an urgent need to ensure our growth is firmly based on environmental, social and governance values. The proper use of data is key – the ability to transform data into insights helps us solve current global challenges and to ensure sustainable business operations. The businesses that continue to thrive will be those that not only use data but are committed to using it for good. From providing free analytics modelling environments for Covid-19 research to collaborating with partners to improve local production of fish and shrimp in Singapore, SAS is committed to improving lives through using data analytics for better decisions.

David Leong
Managing Director
PeopleWorldwide Consulting Pte Ltd

Sustainability and resilience concerns are paramount in today's dire pandemic conditions – from environment protection to sustainable profits with social orientation. Businesses have to develop sustainable development goals and pivot their businesses in that direction. Businesses have to construct long-term blueprints to achieve a better and more sustainable future despite Covid and other pressing issues like climate change, socioeconomic inequality, labour shortage and geopolitical tensions.

Building enduring and resilient businesses requires real tenacity as business costs are elevated as a result. To survive, businesses need to extend tentacular reach to bigger markets with green and sustainable themes. Adopting technological innovation and connectivity with optimised logistics is one sure way to access markets to grow businesses.

Michael Cash
Business Group President
Amcor Flexibles Asia Pacific

It's going to seem pretty basic but attracting, developing, and retaining the absolute best people is the most critical aspect in building enduring, resilient businesses. Easier said than done, it starts with having a great reputation and identity as a company with ethics and that will "build careers" for its team-mates. Then, having a solid process in place for engaging and developing talent (including taking risks on high potentials with quicker career advancement). And then, it is fighting like heck to retain employees every day – this is a unique concept, we tend to think of employees as "ours" and stop recruiting them once they join the company. The best companies continue to treat employees as if they are "recruiting" them every day. It is easy to get caught up in sales growth and profit objectives every day, but if you make people the first priority, you'll build an enduring, resilient business.

Morgan Terigi
CEO and Co-founder
Incomlend

Robust environmental, social, and governance (ESG) measures enable small and medium enterprises (SMEs) to mitigate unforeseen risks in today's volatile landscape, resulting in more consistent performance and stable financial returns. SMEs can also foster greater trust and goodwill when they positively impact our society and environment. It puts them in a stronger position for recovery and growth during challenging business downturns.

As investors' interest grows, we see ESG financing programmes emerging in the region, making it easier for sustainable, responsible businesses to access working capital and lay a sturdy financial foundation. Although some SMEs see that being ESG-compliant comes at a cost, they need to realise that it is much easier to access financing. ESG and profitability are not conflicting goals in today's landscape, and having a solid ESG framework is vital in building operational and economic resiliency.

Annie Yap
Executive Chairman & Founder
The AYP Group

The most critical point of building resilient, enduring businesses would be to have strong contingency plans. It also helps to be forward-facing. Many factors that end up affecting a business the most are unforeseen ones, such as the Covid-19 pandemic that has shut down many businesses around the world. Businesses need to build a solid foundation based on research of the things that could go wrong and how these might affect their industry, and use that to build sturdy contingency plans.

Lance Little
MD, Asia Pacific
Roche Diagnostics Asia Pacific Pte Ltd

Covid-19 has simply intensified the pace of change that is the mainstay of today's operating environment. But what has stood the test of time and determined corporate endurance is the willingness to equate the good of society as being good for business. We have borne witness to this as a company since our founding 125 years ago.

Roche has consistently pushed the boundaries of science to develop diagnostic tests and medicines that can address society's needs now, and in the future – a future in which more patients around the world can access and benefit from our innovations; a future in which our commitment to reduce the environmental impact of our business operations has been producing year-on-year reductions; and where, our entire outlook as a business, led by diverse employees and perspectives, is helping us to create sustainable value and growth.

Andrew Yeong
VP and Head – Asia Pacific
Tata Communications

The volatility experienced by the world in recent years has highlighted the urgency for businesses to address risks stemming from societal and environmental challenges. By implementing a robust environmental, social and governance (ESG) framework and policies, businesses can strengthen their position to address unforeseen risks while building greater agility and resilience.

As organisations continue to accelerate their digitalisation efforts, they must embed ESG values, especially sustainability, at the core of their digital transformation strategy. Recounting on our own experience at Tata Communications, with evolving work practices, travel patterns and consumption habits, firms now have the opportunity to shrink their carbon footprint and create a positive impact on our communities. By combining digital technology with sustainability, organisations can achieve greater business value while staying aligned to the changing values of the new world.

Guna Chellappan
General Manager, Singapore
Red Hat

As digital transformation reshapes industries and businesses operate in a world of increasing complexity characterised by higher data volumes, faster business cycles, and smaller environmental impact, businesses are looking for ways to innovate and remain resilient. To ensure continued progress and sustain growth, businesses should adopt an open-source culture, an innovation-led culture that is built on transparency and takes on a more collaborative stance. Beyond empowering people to initiate and iterate change rapidly from the ground up, it is important to look outside to other great communities for inspiration and potential collaboration. As transparency becomes a strength, businesses and the wider community can create the freedom and responsibility necessary for rapid change and a sustainable future.

David R Hardoon
Managing Director
Aboitiz Data Innovation

If anything, Covid-19 has shown organisations that creating a culture that merges profit with purpose is crucial to inspiring teams and serving as a guiding light in times of crisis. An arm of Aboitiz, a company with over 100 years of history, Aboitiz Data Innovation (ADI) builds on the group's purpose of advancing businesses and communities through data innovation. Not only has ADI succeeded in helping businesses be more resilient to change through tech, but also helped contribute to ESG goals, such as using AI to support financial inclusion by providing banks with alternative scoring models to the unbanked, and improve efficiencies of manufacturing processes while lowering emissions with data science-powered solutions.

Andrew Martin
Head
Databricks, South Asia

The lifeblood of today's digital economy is undoubtedly data and AI. Many organisations have leveraged data to become more resilient amidst the uncertain economic climate and are stepping up investments in core data competencies across business intelligence, data engineering, data science, and machine learning.

What's needed next is to lay the proper groundwork for establishing a truly data-driven culture – where the use of data is embraced across all facets of the business. This requires democratic access to governed, trusted data for every team and an open, modern data architecture that will enable teams to collaborate and solve business challenges with data from across the organisation.

Chua Hock Leng
VP, Asean & Greater China
Pure Storage

The world is at a critical crossroads from the pandemic, from growing socioeconomic inequality to an urgent global climate crisis. Organisations have a responsibility to play a part in helping respond to these challenges which will in turn help them become more enduring and resilient businesses. Consumers are developing strong beliefs and values around issues such as environmental, social and governance (ESG); health and safety; and diversity and inclusion, and they are basing their buying decisions around them.

Pure Storage has begun our journey to becoming more transparent on ESG with the completion of our first materiality assessment by a third-party. Many of these priorities are already embedded into our core values and business strategy which encompass energy and climate change; diversity, inclusion, and belonging; talent recruitment, retention, and development; ethical business practices; and data security and privacy.

We have seen many benefits from these practices, from an engaged and highly motivated employee base, to a loyal core of channel partners and most importantly a delighted customer base that has given Pure Storage one of the highest net promoter scores in the industry.

This is Part 2 of the responses. The full (Part 2) list can be found at https://www.businesstimes.com.sg/views-from-the-top
Part 1 was published on Oct 11.

BUSINESS

$7b
REPORTED COST OF 51% STAKE IN EVERGRANDE REAL ESTATE **B9**

Supply chain disruptions slow S'pore factory activity growth

PMI slips for second month in Sept; electronics sector's growth may taper off later this year

Ovais Subhani
Senior Correspondent

Manufacturing activity in Singapore suffered a second month of decline but maintained its expansionary course for the 15th month in a row, thanks to the electronics sector's continued resilience amid a host of challenging supply chain issues.

However, analysts warned that electronics, which accounts for about a quarter of Singapore's exports, may be nearing a peak in its growth cycle and the sector's expansion may start to taper off later this year.

Last month's Singapore Purchasing Managers' Index (PMI), a key bellwether of activity in the manufacturing industry, came in at 50.8.

This is 0.1 point lower than in August, when it posted a drop of the same magnitude, said the Singapore Institute of Purchasing and Materials Management (SIPMM) yesterday.

Economists in a Bloomberg poll had expected the PMI to be unchanged at 50.9.

Overall manufacturing has now recorded 15 months of consecutive expansion, that is, a PMI reading above 50. A reading below the 50 mark reflects contraction.

The electronics sector's PMI came in at 51.2, rising for a 14th straight month.

The overall manufacturing PMI performance was attributed to slower expansion rates in key subindexes for new orders, new exports, factory output, inventory and employment.

However, the indexes for finished goods, input prices and supplier deliveries expanded at a faster rate and the employment index expanded for the seventh month in a row.

"Supply chain disruptions are still plaguing local manufacturers as they struggle to cope with reduced margins from the higher cost pressures," said Ms Sophia Poh, SIPMM's vice-president for industry engagement and development. This was reflected in the input prices index which came in at 51.7 – the highest recorded since December 2017 when the index was 51.8.

The electronics sector's stronger reading was attributed to faster growth recorded in new orders, new exports and factory output.

However, the indexes for both inventory and employment expanded at a slower rate, whereas the indexes for imports, input prices and order backlog expanded at a faster pace.

Meanwhile, the supplier deliveries index reverted to contraction after having recorded eight months of continuous expansion.

The finished goods index also expanded at a slower pace, which could be a harbinger that momentum could have peaked and an imminent slowdown is on the cards.

Ms Selena Ling, OCBC Bank's chief economist and head of treasury research and strategy, said that as inventory levels edge lower for both the domestic manufacturing and electronics sectors, the ability to sustain production in the run-up to the Christmas season's demand spike may be at stake.

She said that going forward, companies' ability to pass on some of the higher costs to end-consumers would also be key to maintaining their growth momentum.

"Fears of supply chain disruptions and component shortages interrupting the manufacturing momentum within Asia appear to pose potential headwinds ahead for regional manufacturing centres including Singapore," she said.

Manufacturers worldwide, including Singapore's Creative Technology, have been struggling with challenging market conditions since late last year. These were due to supply chain disruptions caused by the global shortages of semiconductors, delays in shipping schedules due to port congestion and a shortage of containers, and skyrocketing freight costs.

The supply chain disruptions have worsened in recent weeks due to ongoing power shortages in China and Covid-19-related restrictions resulting from the resurgence of the Delta variant across the Asean region.

Still, Singapore's manufacturing sector has so far remained relatively more stable, with industrial production expanding at 11.2 per cent year on year in August, translating into a robust 14.3 per cent year-to-date growth.

UOB Group's economist Barnabas Gan said Singapore's decline in overall manufacturing PMI is likely due to a slightly softer external environment, as seen from the slower expansion rates in new orders, new exports and factory output.

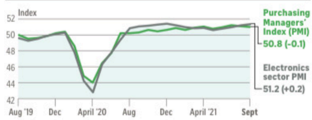
He said the retreat in momentum was evident in Singapore's disappointing August non-oil domestic exports, which expanded at an annual pace of 2.7 per cent – the slowest since November last year.

osubhani@sph.com.sg

Singapore's manufacturing sector has so far remained relatively stable, with industrial production expanding at 11.2 per cent year on year in August, translating into a robust 14.3 per cent year-to-date growth. ST PHOTO: LIM YAOHUI

Still expanding

Manufacturing sector registers 15th straight month of growth



Source: SINGAPORE INSTITUTE OF PURCHASING & MATERIALS MANAGEMENT
STRAITS TIMES GRAPHICS

Sats CEO to join Grab in January as chief operating officer

Christopher Tan
Senior Transport Correspondent

Sats chief executive Alex Hungate will join super app Grab as chief operating officer (COO) after leaving the ground-handling and in-flight catering firm in December.

Grab confirmed yesterday that Mr Hungate will be assuming his new role on Jan 4 next year after a decade at Sats, where he has been chief executive since 2014.

The Singapore-headquartered company, which is present in the ride-hailing, logistics and financial services sectors, said: "Alex is a proven operator with deep experience running businesses in our related industries of financial services, logistics and food service.

"Grab's business has expanded from ride-hailing into multiple new segments in the last three years, and Alex will bring together and create greater ecosystem synergies across Grab."

A Grab source said that Mr Hungate has "a rare blend of talents" which will bode well for the company as it expands into the digital banking and food sectors.

Mr Alex Hungate said he is attracted by Grab's vision to use data and technology to drive South-east Asia forward.

Grab is also aiming for a public listing in the United States through a merger with Altimeter Growth, a special purpose acquisition company, at a valuation of nearly US$40 billion (S$54.3 billion).

Grab co-founder Tan Hooi Ling, who double-hats as COO, is expected to focus more on technology and strategy once Mr Hungate joins the company.

Before Sats, Mr Hungate was chief executive of HSBC Singapore, a bank he joined in 2007.

The 55-year-old, who holds both a Swiss and a British passport, was also the Asia-Pacific managing director of news agency Reuters.

An Oxford graduate, Mr Hungate serves as a board member of the Singapore Economic Development Board, is a member of the Future Economy Council, and an independent director of UOB.

Meanwhile, Sats said it will announce Mr Hungate's successor shortly. Its share price ended six cents higher at $4.16 at the end of trading yesterday.

In a statement, Mr Hungate said: "I will miss the people at Sats, but after eight years as CEO, I feel that it is the right time to hand over to new leadership. The company is in a strong position.

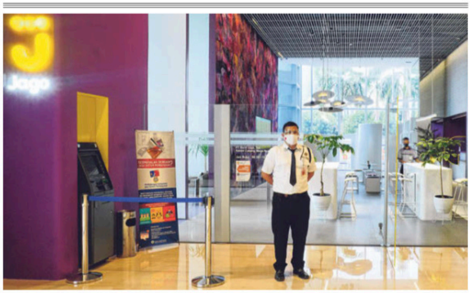
"I am attracted by Grab's vision to use data and technology to drive South-east Asia forward. I hope to bring my experience running businesses in the related industries of financial services, logistics and food service to accelerate growth at Grab."

Dr David Leong, managing director of human resource advisory and search firm PeopleWorldwide Consulting, said Mr Hungate's move is surprising yet understandable. "The move to Grab must be motivated by the newness of the business," he said, adding that the company has morphed from a taxi-hailing app into a multi-faceted one that is also involved in logistics and digital banking.

He said that aviation, on the other hand, "is in the doldrums for the long haul, with no clear visibility of a grand comeback. And Sats' business is very much associated with aviation".

christan@sph.com.sg

SMEs • DBS, NTU team up to help local firms tap into Asia-Pacific markets | **B10**



Bank Jago • US venture capital firm takes stake in Indonesia's first full digital bank | **B10**

Online

FEATURE
The value of a relationship

How are a couple's contributions valued when their marriage fails? Invest editor Tan Ooi Boon looks at some factors.

str.sg/divorce-assets

THIS WEEK'S TOPIC

What implications, if any, for business are there in ongoing geopolitical developments such as the AUKUS pact?

Adapting to a new world

Lawrence Loh
Director, Centre for Governance and Sustainability
NUS Business School

Geopolitical developments, particularly alliances, furnish the broader setting that undergirds business interactions.

The new AUKUS grouping may have justifiable intentions but some Asian countries have expressed reservations.

This tension may lead to a global or even regional polarisation which is not healthy for businesses. We definitely do not want to see the decoupling of supply chains, disengagement of consumer markets or delinking of critical technologies. And the ultimate consequence of trade protectionism will hurt business.

Geopolitics cannot be advanced in isolation – it has deep ramifications on the business environments which in turn affect human livelihoods. Moderation should be cautiously exercised so as not to upset the strategic equilibrium of good balance.

John Bittleston
Founder and Chair
Terrific Mentors International Pte Ltd

The AUKUS pact and other geopolitical agreements in the Asia-Pacific are designed to contain China in what is seen as its newly aggressive phase over Taiwan, the South China Sea and, potentially, other countries.

From China's viewpoint, the AUKUS pact and similar groupings are equally aggressive, potentially reneging on what China considers agreements already made, commitments already guaranteed.

If there is a war over Taiwan there will be opportunities for business – as there are in all wars – to supply goods, chattels and comestibles to the scene of fighting and to those displaced by it. Without a war, there are supply opportunities to troops within the agreements.

The biggest need is for skilled diplomats on both sides to prevent a war that, however limited at the start, might be catastrophic in the end.

Victor Mills
Chief Executive
Singapore International Chamber of Commerce

Businesses should always be concerned about geopolitical developments which have the potential to increase tension. Such events also increase risks which need to be managed and factored into scenario and contingency planning – including the risk of accidents which could result in armed conflict.

There is an eerie and alarming parallel with the arms race of the early 1900s which led to the catastrophic World War I. Then, as now, great powers played a dangerous game of military posturing instead of focussing on their own best, long-term interests. We need more talk, consultation, collaboration and adherence to global rules of engagement and peaceful co-existence.

Leon Perera
Chief Executive Officer
Spire Research and Consulting

Developments such as the AUKUS pact herald a major geopolitical shift. The US political establishment, across both major parties, has come to see China in the same way as it viewed the Soviet Union in the past, as a serious economic and political competitor.

There are significant implications for the private sector. Companies can expect more legal and regulatory curbs on, and attention via inspections and audits paid to, investment and trade flows from the US into China and vice versa.

Both the US and China will increasingly aim to set their own technological and regulatory standards, particularly in high tech. Companies will also have to expect more red tape when posting expatriate staff from the US or its allies into job roles in China and vice versa.

Above all, companies will need to adapt to a world where the US and Chinese governments use their considerable hard and soft power to promote their own "national champion" firms in key industries.

Ian Chapman-Banks
CEO and Co-Founder
SQREEM Technologies

Three geopolitical trends that impact businesses today include the increasing rate of deglobalisation due to countries prioritising domestic concerns; increasing government interventions in decision making; and potential medium- to long-term inflation. In a way, AUKUS is a response to the first two trends.

On this different playing field, companies need to be able to pivot quickly. For example, SQREEM now focuses on developing in-country standalone resources, including research and development capabilities, and self-encompassing profit centres in several countries. Although more resource-intensive than consolidating functions, it is an investment to mitigate potential risks and ensure business continuity in an uncertain future.

Kotaro Tamura
Adjunct Professor (Executive Education)
Lee Kuan Yew School of Public Policy, NUS

Beyond just a pact, the AUKUS and Quad are alliances for the collaborative developments of the most important security-related technologies. This will see the advancements of sectors such as nuclear energy, material sciences, space exploration, quantum computers, cybersecurity, food production and more, while being protected from China's infringement.

As part of what I'll be sharing during my upcoming course on Insights into Regional Politics, Economics and Culture at Lee Kuan Yew School of Policy, countries that support AUKUS and QUAD's Free and Open Indo-Pacific (FOIP) will be given the opportunity to commercialise these co-developed technologies while also benefitting from its digital and physical infrastructure developments, paving the way for its businesses to cater to such demands.

Chia Ngiang Hong
President
Real Estate Developers' Association of Singapore (REDAS)

Businesses will surely be watching how AUKUS, QUAD and other strategic manoeuvrings by US and China will evolve. The ideal situation is that the US and China are able to rationally and peacefully rebalance and recalibrate their strategic interests to compete and cooperate at the same time, leading to an amicable balance in the Indo-Pacific, thus creating a more stable environment for all.

Singapore has managed to stay neutral so far and hopefully can remain this way. If the relations are not managed well and results in geopolitical instability or smaller nations are pressured to take sides, this will have significant implications for the economy as businesses will be impacted given Singapore's heavy reliance on regional and international trade.

Businesses will need to assess potential pressure points and prioritise scenario planning and adjust their operational, diversification and growth strategies to mitigate these potential risks to ensure survival and sustainability.

Adam Meyers
Vice President of Intelligence
CrowdStrike

Geopolitical developments often serve to generate new intelligence requirements for nation-state threat actors. The recent AUKUS agreement creates intelligence gaps for the military, diplomatic corps, and defence industrial base; and political leaders of numerous countries in the Asia-Pacific, the People's Republic of China, and the Democratic People's Republic of Korea are most likely to be most concerned by the AUKUS announcement.

Targets of these nations that have already demonstrated significant cyber espionage capabilities will be the related industries, military units, and maritime facilities most likely to be involved in supporting AUKUS. In addition, given the polarising nature of nuclear power, activist groups in member countries may conduct defacements and other disruptive attacks.

Lim Soon Hock
Managing Director
PLAN-B ICAG

The Anglo-Saxon trinity has always been there. It was accentuated by the US-China dispute and is now revealing more of its colours. While most sensible businesses would try to stay clear of politics, unfortunately, if they are dependent on cross-trade between China and the members of AUKUS, disruptions or new barriers can be expected going into the future.

Even if Singapore chooses to stay neutral, permitting companies here to supply "Made in Singapore" products, what is there to stop any of these countries from not allowing components from China on one side, and AUKUS members on the other, when buying or importing these products.

This Cold War 2.0 does not augur well for businesses. It has become a complex and tricky minefield for companies to tread. I hope the leadership of these countries stays rational and responsible and does not introduce measures that will disrupt (or worse, destroy) businesses.

Toby Koh
Group MD
Ademco Security Group

AUKUS is the catalyst that will now trisect the bifurcation between USA and China, such that the European Union will stand independent. The EU cannot but realise that they need to stand united and strong in the face of the American economic and military might.

Commercial interests will be complex, and China will seize this opportunity to lobby the EU when the French wounded pride is still raw. Businesses will have to keep a keen eye on geopolitical developments as this will certainly affect market access and supply chains. Singapore is wise to stay neutral and welcoming to all parties.

Tan Mui Huat
President and CEO, Asia
International SOS

The changing geopolitical landscape in the Indo-Pacific region is unlikely to have a significant impact on businesses and the safety and security of their workforce.

Nonetheless, potential challenges may arise from nationalist demonstrations, which are usually non-violent and of moderate scale. There may also be increased scrutiny on organisations, depending on their specific profiles vis-a-vis the profiles of their host countries.

In building resilience, businesses must have access to accurate and timely information for situational awareness, and ensure employees are prepped to manage anticipated challenges. Robust communication protocols are also necessary to maintain organisational neutrality and navigate political currents and sensitivities.

Maren Schweizer
Chief Executive Officer
Schweizer World Group

Since the end of the Cold War, Asean has successfully established a central role in Asia's architecture. The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), signed by 11 countries including Australia and Singapore, is a recent example of aligned trade and investment interests. Members' trade flows have mainly been parallel with the rest of the world. E-commerce has grown significantly for members during Covid-19, led by Singapore and Japan.

While AUKUS reshapes the Indo-Pacific strategic landscape, an immediate significant effect on trade and investment in Asean seems to be unlikely. After all, the best moderation to any singular pre-eminence is to have several power clusters, including the EU, engaged rationally and in concert with regional stakeholders, working for the common peace, security, and business prosperity of the Indo-Pacific and its people.

Zaheer K Merchant
Director – Corporate Affairs
QI Group of Companies

In assessing AUKUS implications on business, a distinction must be made to countries which may have direct and/or indirect impact. Parties to AUKUS will directly have a business capability ramp-up in technology/information technology services at both ends of the supply chain, aside from defence contractors and associated infrastructure developments.

How much of that business spills over or is outsourced may lead to indirect business gearings for other countries, but it may be limited given the sensitivities involved in such dealings, or as China labels it, "obsolete zero sum".

The more interesting facet will be if there is a greater diversion of business interests away from the AUKUS signatories to other countries and how China will deal with such "friendlier" parties (and vice versa) now. This is potentially where significant business opportunity lies; perhaps it's smarter not to throw your lot behind anyone geopolitically at this juncture.

David Leong
Managing Director
PeopleWorldwide Consulting Pte Ltd

China's categorical and direct response to AUKUS, pointing out that it is undermining regional peace and stability including hurting the non-proliferation efforts. cannot be more true. AUKUS and the Quad are strategic formations by parties aimed to challenge and to ring-fence China.

The multi-parties ring-fencing and fang-installation (including nuclear-powered submarines) are aimed to contain China. Such moves cannot augur well for the regional peace framework because they are targeted to strike on provocation or otherwise.

The military installations are strategically and intentionally positioned by the US-led group. The defence rationale provided by US is not convincing.

So the possibility of a strike situation is high and likely, and it will happen in the region in which Singapore is situated. Singapore will be a party tied to the "fallout" contingency and will be gravely impacted.

The geopolitical tensions definitely do not augur well for businesses as we have to be mindful of the mines and military buildup that is against the grains of non-proliferation.

Henry Tan
Group CEO
Nexia TS Group

These bilateral, minilateral regional agreement pacts are not new. Individual countries or groups of companies that share common interests or business and trade have come together to work closer together. So, looking from a positive point of view, AUKUS, Quad, CPTPP etc are all positive developments.

However, if the groups come together for a wrong reason then it may raise tensions and is not helpful for the geopolitical climate. Businesses will be affected in a tense political environment.

Most business hope for a decoupling of political arrangements from business arrangements but we know that invariably this will affect one another. The danger is how the temperature of such tensions is raised – and if it goes towards tipping or boiling point it will be dysfunctional.

Dileep Nair
Independent Director
Thakral Corporation Limited

Political stability is a prerequisite for companies to do business. This promotes economic growth. The balance of power in this region is what has allowed Asean to enjoy its steady growth in the last few decades. AUKUS could reshape this balance of power in the Indo-Pacific.

While AUKUS has been greeted with ambivalence, the addition of an overlapping security arrangement clearly enhances the stability of the region. With such growing multipolarity, nations like ours must be nimble to expand our freedom of action within the interstices of big power rivalry

Our companies can exploit these opportunities, particularly if their supply chains are not complex, and their products and services do not pose a security threat.

The full list of views from CEOs is available at http://businesstimes.com.sg

Ong Pang Thye
Managing Partner
KPMG Singapore

First impressions last, and that's why SPACs can help forge that reputation of Singapore as a global technology IPO hub. High-profile SPAC sponsors and prominent technology enterprises will draw global attention to the country's viability as a technology-based equity market, reinforcing its capabilities as a technology innovation hub. Success of the first few stocks will also breed further success. Eyes will be on the pioneers – to see if listings are effective, valuations are favourable, and whether investor returns are commensurate with business performance and development, nudging other established technology companies and sponsors to opt for Singapore as their listing destination. Hence, while SPACs may not be a silver bullet, they certainly are a shot in the arm for Singapore to make its memorable pitch of being the exchange of choice, where technology companies can get the ecosystem and edge that they are looking for.

Frankie Chia
Managing Partner
BDO LLP, BDO Raffles

SPACs could provide new economy companies with the potential to grow exponentially as they seek access to capital to fund their expansion plans. The SPAC structure and speedy process may benefit its investors and sponsors while accessing the public market despite not having significant operating history.

However, the trade-off for speed is thoroughness in due diligence that could result in poor decisions. The regulator will have to balance these concerns.

Encouraging SPACs could potentially be a good strategy to turn Singapore into a tech IPO hub in the Asia-Pacific region and in revitalising the conservative SGX into a vibrant and exciting one.

Sumesh Balakrishnan
Member
EGN Singapore

I expect that with the addition of SPAC listings, the SGX will be able to attract more investors due to the diversification of investment products and the further addition of liquidity to the capital markets. In Singapore, the digital wave – especially in electric vehicles, smart tech, greentech & ESG (environmental, social and governance) ventures – could benefit from SPACs, as we've seen similar companies reap benefits in the US. I think that with the right framework, and a more friendly climate for investors, the SGX could attract the type of niche tech firms that Singapore had previously lost to Hong Kong and the US.

Hsien-Hui Tong
Executive Director, Investments
SGInnovate

The more instruments there are for companies to list, the more vibrant the market and our tech ecosystem are likely to be. While this is a step in the right direction, the fundamental issues of market liquidity and overall retail investor appetite for tech firms need to be addressed. Tech companies need to maintain their growth trajectory to instil greater confidence in this sector and show that it can outperform traditional sectors like finance and property. Ensuring that they succeed in this endeavour and positioning Singapore as the best place to list will require a diverse range of resources, beyond funding, including access to talent and the right platforms to catalyse partnership and collaboration.

Maren Schweizer
Chief Executive Officer
Schweizer World Group

SPACs are another essential building block on Singapore's avenue to become Asia's Silicon Valley while leveraging its leading position as a vibrant tech hub in South-east Asia.

Singapore's stock market has been traditionally dominated by finance and property firms, held mostly as dividend plays, and is short on tech names. In the past quarters, there has been momentum and appetite building in Apac, particularly in South-east Asia, where tech-focused startups and unicorns – and their investors – view SPACs as a more efficient monetisation or "exit" option when compared to conventional IPOs.

While China's capital markets offer fundraising options to their domestic firms, companies from South-east Asia, generally speaking, have fewer options and are expected to be more open to the SPAC alternative for fundraising. The SGX signal comes at the right time to pull the market towards Singapore.

We also need top-flight sponsors to launch their SPACs in Singapore and attract quality companies.

Luke Lim
Managing Director
Phillip Securities Pte Ltd

Investors should not be enamoured with SPACs. The multiple bells and whistles in SPACs create an aura of sophistication. It is merely another investment vehicle to deploy funds into aspiring technology companies. A tech hub requires a large pool of funds available for SPACs. Various funding initiatives announced are a great kick-starter but we are competing with even larger hubs and pools of funding globally. Singapore should differentiate and create a hub for relatively smaller but higher growth companies, supported by our investment in research and investor education, and one that gives equal access to retail investors, even at the IPO stage of a SPAC.

Sanjeev Kumar
Singapore Senior Country Manager and Head of S-E and South Asia
Natixis Corporate and Investment Banking Asia-Pacific

There are plenty of companies – tech players and tech unicorns among them – in South-east Asia that have been looking to go public. The SPAC route could be a popular option for them, given it is faster and presents a lower cost alternative to the traditional IPO. Natixis' global mergers and acquisitions network has been increasingly active in this space. With Singapore now accepting the SPAC structure, a number of SPACs backed by regional sponsors or with regional target acquisition mandates have access to an investor base that's much closer to their home market. On top of that, Singapore has a longstanding reputation as being a well-regulated market. That said, factors such as valuations and market fundamentals are still key considerations for any company looking to go public, and much work remains to be done in terms of investor education.

Ong Yu-En
Head of Singapore
Norton Rose Fulbright (Asia) LLP

The Singapore Stock Exchange's new framework for SPACs is encouraging for the market and makes sense as part of the wider tech-friendly approach Singapore has taken. SPAC listings in Singapore offer an attractive alternative to traditional IPOs, but it may take time for a SPAC to de-SPAC with Singapore targets, given the maturity of the local market. So, sponsors may need to look across the wider South-east Asia region for more immediate opportunities and where start-ups are in more advanced stages of growth.

Azman Jaafar
Managing Partner
RHTLaw Asia LLP

SPACs appear well-suited for technology companies as they are in stages of fast growth that require much capital to fund innovation. It may be an alternative path to an IPO, but in the current environment, managers of SPACs may find technology targets too speculative and the deals too difficult to close. The high-growth tech space has its associated risks. To turn Singapore into a vibrant tech IPO hub, we will not only need strong SPAC management teams, but also the ability to protect investors' interests in a commercially practical way.

Lars Voedisch
Managing Director
PRecious Communications

Singapore has been seeing a continuous pipeline of new initiatives positioning the country as a listing destination of choice for up-and-coming technology startups taking the SPAC route. However, the city-state still has a long way to go to reach higher ambitions in this SPAC-tacular era. While the stage has been set, a lot of work would need to be done to connect key players in the ecosystem. From our own experience, this includes spurring awareness, educating stakeholders, and setting the right expectations as the way forward. The biggest ambitions have to start with the first step – and in this case – laying the groundwork as Singapore sets its sights not only in being just a hub for tech startups in the region, but also supporting and enticing startups to list at the SGX.

Ashish Rai
Group MD, Apac and Mea, Capital Markets
FIS

The new SGX listing rules will certainly improve the attractiveness of Singapore for tech companies looking to go public via a SPAC, especially as this provides the prospect of relatively simple access to money at a time when "traditional" routes are drying up. However, interest in SPACs is still at an early stage in Asia. While the SPAC market in US has found huge success, it remains to be seen how this trend will play out here. Will every SPAC formed ultimately merge into an established company? No. But I think enough deals are being worked on that they will remain a viable lane for tech startups considering how to fund the next stage of their growth.

As SPACs are a rapidly evolving universe, with a number of complexities (life cycle management, due diligence, valuation, et cetera) involved in a SPAC deal, many investors will likely remain cautious. Nonetheless, we should see the innovative tech companies of tomorrow – whether they are working with artificial intelligence, machine learning or blockchain – at least consider a SPAC as they discuss their future.

Toby Koh
Group MD
Ademco Security Group

Fundraising is a key operating component of any startup. Singapore's quick decisive move to encourage funding here is certainly the correct move and complements our goal of becoming the high-tech startup capital of Asia. It will help to establish Singapore as the financial centre and wealth hub that we have been labouring towards.

Having said that, we have plenty to do in order to catch up with the Hong Kong Stock Exchange (HKEX). Perhaps SPACs will be one of the catalysts.

Mario Singh
Chief Executive Officer
Fullerton Markets

Singapore has so far been behind the curve when it comes to building out a tech IPO hub.

Even when we zoom out and look at listed companies as a whole, we have just three new listings on SGX this year, up to Sept 16. According to data from Refinitiv, these companies have raised a total of S$239 million, far behind our regional counterparts like Malaysia, Indonesia, Philippines and Thailand.

That said, I do believe that SPACs can move the needle for tech listings in Singapore. SPACs have been the buzzword in the capital markets for most of 2020, led by the US. The Anchor Fund @ 65 and Growth IPO Fund will certainly help to sway tech founders to consider Singapore as a viable listing venue.

However, to truly transform Singapore as the darling hub for tech IPOs, we must double down on our national brand as the gateway to the US$3 trillion economy of South-east Asia.

Darrell Wright
Managing Director, Apac
Cognito

Singapore has long been the regional hub for technology companies, including the FAANG group of tech giants that have set up headquarters or major regional offices here. However, expecting a galactic leap to become Asia's Nasdaq seems a little lofty. Instead, we should focus resources and attention on encouraging Singapore's growing list of fintech startups to go public with SGX. Utilising the S$1.5 billion Anchor Fund @ 65 together with the SPAC framework will increase the chances of many companies successfully going public, but by keeping the objective focused on becoming a fintech IPO hub, the city may be able to capture a real niche advantage.

With Singapore-based fintech startups such as Aspire, StashAway, Syfe, and Nium announcing ambitious growth trajectories backed by big investment capital, these are the types of companies that could and should be encouraged to list with SGX. In doing so, Singapore can become the pre-eminent listing destination for fintech firms around the world.

Percy Hung
Co-founder and CEO
Choco Up

Singapore is already the most prominent tech hub in Asia, with no shortage of VC firms and a diverse funding ecosystem. However, what is missing is a relatively easy and accessible path to public listing. The introduction of SPACs to SGX will enable just that, and provide much lower market or pricing risks common to IPOs. As a revenue-based funding provider, we know that even highly successful startups have issues getting the capital they need fast enough to fuel their growth. SPACs would be a fantastic way for companies to achieve public status, providing companies excellent brand exposure and access to capital. This will reinforce Singapore's position as a strong tech IPO hub in the region.

S Nasim
Group Executive Chairman
Meinhardt Group International, Singapore

The recent initiatives to make SGX the destination of choice for listing companies in the high-growth and high-tech sectors are both timely and admirable. SGX has sought to increase its IPO activity for years with little success in attracting large tech firms.

Generally, a decline in interest rates is a positive sign for equity markets, and therefore, for equity listings and capital raisings. SPAC listings on the exchange will further enhance the tech ecosystem.

SGX operates under reasonable rules of good governance, so we can be cautiously optimistic that this initiative will invigorate the listing activity. Currently, participation from foreign investors is limited and trading volumes are small, indicating a lack of vibrancy. The delistings in recent years and the fall in the market capitalisation of companies are also concerning. In addition, Singapore has a limited pool of domestic firms with smaller stock values.

Singapore has nonetheless strengthened its position as a leading wealth hub in Asia, with private banks overseeing assets of more than US$2 trillion and offering alternatives in structured products, real estate, and private equity. SGX is therefore well-placed to take advantage of the SPAC-listing opportunity.

Ang Shih-Huei
CEO and Co-Founder
Klareco Communications

SPACs have accelerated public listings in the US to a record volume last year but brought with them concerns and risks around quality, governance, and returns to shareholders. While Singapore's efforts to drum up the local bourse – including the latest regulatory green light on SPACs listings – are commendable and could help boost the volume of tech listings here, efforts must be made to safeguard investor confidence and trust such that Singapore avoids the same concerns facing SPACs in the US.

Edmund Lee
Managing Director, Singapore and Market Leader, Singapore and Malaysia
TMF Group

TMF Group welcomes this development by SGX in offering alternative capital fundraising routes to high growth companies and providing investment opportunities to a wider range of investors. Singapore has a very innovative and dynamic tech sector, but many such homegrown tech companies have sought listings overseas.

The introduction of SGX's SPAC framework promotes the flexibility and competitiveness of Singapore capital markets, while also implementing adequate safeguards for investor protection.

In contrast, HKEX seems to be taking a more onerous approach with proposals to limit pre-acquisition SPAC trading only to professional investors and also for the target companies to meet all Hong Kong IPO listing requirements.

Given TMF Group's licensed trust company in Singapore and our global presence in more than 80 jurisdictions, we are well placed to assist with SPAC escrow requirements involving cross-border transactions.

Kong Wan Sing
Founder and CEO
JustCo

The new SGX SPAC framework provides an additional meaningful funding option for tech and other companies in Singapore. Importantly, this SPAC framework was followed by new public-private funding initiatives. Taken as a whole, this package of SPAC plus new measures provide end-to-end encouragement for tech and other startups to grow, thrive and list in Singapore.

Dhruv Arora
Founder and CEO
Syfe

As a homegrown company, we welcome this positive move and believe it will give an added boost to the local and regional startup ecosystem.

Such initiatives from the regulators provide additional opportunities for startups to grow and be rooted in a region where their products and potential are used and appreciated by consumers. These customers can also eventually be investors in SPAC listings too.

These positive steps will bolster Singapore's standing as a hub for tech companies in the region to secure funding, both publicly and privately, for their next phase of growth.

Aaron Tan
Chief Executive Officer
Carro

While efforts like Anchor Fund @ 65 are a step in the right direction, overall, SPACs will not help to make Singapore into a tech IPO hub. SPACs are not new; they have been around for some time, and come and go cyclically. Furthermore, recent IPOs in regional markets, such as Bukalapak on the Indonesia Stock Exchange, have shown that traditional IPOs done properly in a local market can also command a premium and launch successfully. Ultimately, tech companies choosing to go public will have to make a balanced and informed decision on the availability of liquidity and the possible valuation they can achieve at IPO. Hence, doing SPACs alone will not guarantee a vibrant tech IPO hub.

Ben King
Country Director
Google Singapore

The renewed interest in SPACs is not without good reasons and could be the key to unlock Singapore's tech IPO potential. Importantly, this latest package of initiatives – while greatly advantageous for the local economy – is only one of the many levers needed to secure our leading spot as a technology innovation hub in Asia and beyond.

We will need to maintain a nurturing environment for budding tech startups to thrive here, through a comprehensive ecosystem that provides support at every stage of their growth, including their early stages. This involves accelerator programmes and initiatives that go beyond funding, such as Google for Startups, to provide the necessary training, mentorship and networking opportunities to set them up for greater success.

Lim Soon Hock
Managing Director
PLAN-B ICAG

If Singapore is to be a listing destination of choice, SGX must keep up with the trends of going public. It is therefore heartening that SGX is going ahead with SPACs, the flavour of the day, especially for high-growth and high-tech sectors, in spite of potential investment risks.

Instead of remaining a follower, SGX should leverage its vantage position to innovate and take the lead to introduce new models of listing, to give companies – both local and foreign – more choices. In this way, Singapore can lead the competition, especially from the Hong Kong, London and New York bourses, and perhaps overcome some of our limitations with regards to liquidity, institutional investors, and the retail investor community.

The latest new funding initiatives (such as Anchor Fund @ 65 and Growth IPO Fund) to accelerate the growth of promising local firms, though overdue, will be a boon to Singapore's public market and strengthen SGX's position as a stock exchange of choice.

It will take more than SPACs to transform Singapore into a vibrant tech IPO hub, if SGX is content to be a follower.

Henry Tan
Group CEO
Nexia TS Group

SPACs have been around for a while and their popularity in the US has attracted interest in Singapore as well. I see SPACs as another version of RTOs (reverse takeovers) that Singapore is very familiar with, except that a SPAC would have already raised funds before acquiring a business. The success depends on the latitude given to the SPAC in its acquisition. If the acquisition requires similar regulatory scrutiny like a IPO, then the SPAC expedience is defeated. If we adopt what the US is doing, we have a good chance to be an Asian hub for tech SPACs or special-themed SPACs. While the opportunity is there, equally, there will be pitfalls where SPACs are not able to secure sufficient acquisition targets. We will have to ensure a vibrant target sourcing and available operating business pipeline.

David Leong
Managing Director
PeopleWorldwide Consulting Pte Ltd

SPACs provide an alternative format to raise funds, but on a reverse approach. The typical and logical approach is to build a business first and then raise funds for expansion purposes. Through SPACs, funds are raised first, then acquisition targets are solicited. Both are just ways for businesses to thrive with funding availability. Whether it is "business-meets-money" or "money-meets-business", the funding rationale is the same.

With SPACs, there are strengths and limitations. One strength is the aggregation of funds by trusted sponsors so the "trust-pivot" is on the sponsor to secure a good business to fuse with. However, there is a time limit to search for suitable targets, otherwise the SPAC has to be dissolved and the funds returned. This "time-tension" may land the money in wrong places, since discovery of suitable assets takes time.

The SPAC mechanism by itself cannot make Singapore a tech IPO hub. The ecosystem must be filled with a critical core of funding entities and tech startups, and it must be dynamic and vibrant with supportive policies for the startups to flourish. Money naturally finds good assets to vest in, one way or another, SPACs or otherwise.

Alexander Harrison
Country CEO, Singapore and Chief Operating Officer, Apac
Barclays

A concerted effort in working with the "right" company to "test-case" this would be an important milestone. That will entail not only a successful SPAC listing, but also a successful de-SPAC, and ultimately, sufficiently active post de-SPAC trading liquidity and research coverage. This requires clarity around regulations and process focusing on the practical execution versus the theoretical vision.

Will the current move into SPAC listings be sufficient to overcome the inherent queries on the depth of liquidity (or lack of) in Singapore? Will there be sufficient volume of unicorns to target, outside of the US and China, to make this move more than just an addition to the existing product suite? In summary, there are lots of areas to work through and it's generally too early to call.

Kelvin Chen
CEO & Co-Founder
Kent Ridge Health

Many studies show that the Covid vaccines protect people against serious illness and have prevented countless deaths from the disease. It is, therefore, safer to get the vaccine than to run the risk of contracting Covid-19 without any protection.

Both the short- and long-term health risks associated with a Covid infection are substantial as the illness can affect almost any organ in the body; many infected people now have severe disabilities as a result.

Of course, there are some rare risks associated with the vaccines, but to balance it out, the benefits of having the jabs outweigh the risks, and I would advise getting them.

Many who are vocal about not wanting to be vaccinated may argue that natural infection gives greater protection. But this is a flawed argument, as Covid is not a mild disease. Millions of people around the world have died from it, and many are living with the long-term consequences of the disease.

We need to remain open and operate safely during the pandemic. The focus needs to be on reducing transmission through social distancing measures, as well as making it mandatory for everyone to take the vaccines, especially when the government has made them readily available for us.

Gary Lai
Managing Director – Asia
Charterhouse Partnership

Apart from those who have been medically advised against it, vaccination should be made mandatory for everyone else.

Data has shown that fully vaccinated individuals not only have a lower risk of getting Covid, they in turn have a lower probability of transmission to others. They would also be less likely to get seriously ill, which will protect our healthcare system from being overwhelmed. While there are measures in place to limit community transmission, there is a business cost associated with implementing such restrictions.

As a small country, Singapore must keep its borders open; regular testing and admitting only vaccinated travellers would speed up the reopening.

The likely prolonged period of sustained Covid measures will drive up pandemic fatigue across society and it is easy to point at unvaccinated individuals as the problem. This would be undesirable, especially against those who cannot get vaccinated for medical reasons. Mandating vaccinations for all medically eligible people would minimise any such potential discrimination.

Tan Mui Huat
President and CEO, Asia
International SOS

Singapore has one of the highest vaccination rates in the world, with over 80 per cent of the population immunised. Nonetheless, almost 20 per cent of the people remain unvaccinated and at risk of more severe symptoms if they contract Covid-19, which could stress our medical infrastructure.

There is a strong argument for making vaccination compulsory, as high vaccination rates have allowed countries and economies to reopen and move towards an endemic model. However, governments and businesses need to build trust to overcome vaccine hesitancy.

In Singapore, people working in environments where there is a higher risk of Covid-19 infection might be required by their employers to get vaccinated. It is critical for these employers to take steps to educate, dispel myths, and build trust to encourage a voluntary approach among employees to build an inclusive environment.

Mario Singh
Chief Executive Officer
Fullerton Markets

Singapore has one of the highest vaccination rates in the world. I am hesitant to fully endorse a mandatory vaccination programme for those who are medically eligible without first understanding why those who can have it decide against it.

As far as I know, most vaccine-hesitant people are most likely uncertain or undecided rather than downright hostile. Most do not harbour any political agenda or conspiracy theories. Some are worried that the vaccines do not protect against fast-mutating Covid-19 strains such as the Delta variant. Others are concerned about potential side effects or DNA modification.

All these concerns can be assuaged via medical information. As a personal example, my father-in-law was hesitant to take the vaccine – until my wife assured him of the benefits of doing so.

Amid the government's efforts of heading to the heartlands to reach our medically eligible seniors, I look forward to seeing our fully vaccinated numbers climb even higher.

David Sandison
Singapore Practice Leader
Grant Thornton

As an employer, I am clear we have no right to dictate how our employees handle their own personal matters, as long as they do not bring the firm or the profession into disrepute – a dismissible offence in anyone's handbook.

Any employer who tries to influence an employee's rights in their personal capacity should very quickly, and rightly, become a distant speck in that employee's rear-view mirror. This issue highlights the contradictions between those who support the concept of diversity and yet are happy to discriminate when it suits, those who espouse work-life balance and yet are willing to trample over life choices. "Cake-ism", as UK Prime Minister Boris Johnson would say.

Maren Schweizer
Chief Executive Officer
Schweizer World Group

Vaccines are one of the most effective tools for protecting people against Covid-19. At this point, mandatory Covid vaccination is an ethically justifiable policy option and should be implemented to manage the coexistence with the virus.

From an ethical point of view, sufficient efforts have been made to demonstrate the benefit and safety of vaccines for the most significant possible acceptance.

Since the early days of the pandemic, low-tolerance policies have been Singapore's institutional strength in line with a successful mobilisation around a carefully constructed common goal. However, mobilisation is never a panacea and diminishes over time. We also have to keep in mind that vaccine mandates have been around since 1850, and they work.

Economists agree that vaccines are a key reason for Singapore's strong economic rebound. It's time to build on this success now and go with mandatory measures while avoiding stop-and-go as much as possible for the benefit of our people, companies, and country.

David Leong
Managing Director
PeopleWorldwide Consulting Pte Ltd

Mandating by law may be an efficient route to quickening the pace of vaccination. Singapore has already crossed the 80 per cent mark, but mandating it through legislative force will show the kind of conviction and commitment that the government places on public safety. The government has gone to the extent of visiting families door-to-door to assist those who are not mobile. Organising such logistics to cover as many unvaccinated persons show commitment and care to Singaporeans.

As Singapore needs to rise above the fray fast and restore economic activities to normalcy (that is, as much as we possibly can), we need to secure the safety of Singaporeans and residents, including foreign workers. When Singapore is positioned as a safe harbour for business and tourism, it will be better off and again be a preferred centre of attraction.

Annie Yap
Executive Chairman & Founder
The AYP Group

As Singapore transitions towards becoming a Covid-resilient nation, making vaccinations mandatory could trigger strong debate about freedom of choice.

That said, vaccinations are effective for saving lives and promoting good health. Should one be medically fit to take a vaccine that is tested and safe, there isn't much excuse to avoid doing so.

I believe a balance can be struck between the two. As such, education on the importance and impact of vaccinations could be added to school and work curriculums so that more people are well informed and will not hesitate to get vaccinated.

Lim Soon Hock
Managing Director
PLAN-B ICAG

It is a tough call to make vaccination mandatory for all who are medically eligible. It is a contentious issue of personal choice versus the larger good and well-being of the community.

Despite the high rate of vaccination, if the situation deteriorates, making it mandatory may have to be a last resort. This is because the more people who refuse to get vaccinated, the more vaccinated people will get infected.

More incentives for the vaccinated – to enjoy certain concessions, and not having to do weekly Covid-19 testing in the workplace, for example – may have to be introduced to compel more people to get inoculated. While this may be regarded by those who do not want the Covid jabs as blatant discrimination, many will agree that it is justified for the larger good of the community, including themselves. This Covid-19 pandemic must be tackled by all, for all.

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The Big Story • Chicken could get costlier as feed prices rise |A10

Life • Home-grown dance takes centre stage |C2&3

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3,200 seniors get 3rd vaccine jabs as programme begins

Jessie Lim

Singapore kicked off its national Covid-19 vaccine booster programme yesterday, with about 3,200 seniors having received the jabs.

More than 12,000 seniors have booked an appointment for their booster shots, said Minister for Health Ong Ye Kung in a Facebook post last night.

"This is an encouraging start and we hope more seniors can take their booster shot," he said.

"The shot will better protect you for many more months, or even longer."

Over the next few days, 140,000 seniors will receive invitations from the Ministry of Health (MOH) to make an appointment to receive a booster dose of either the Pfizer-BioNTech or Moderna vaccine.

Seniors can also receive their third dose at Tanjong Pagar Community Club and some vaccination centres, polyclinics and participating Public Health Preparedness Clinics.

Former NTUC Income chief executive Tan Kin Lian was among the first in line at Teck Ghee Community Club, home to a vaccination centre run by Raffles

MOBILE TEAM DELIVERS SHOTS continued on A2

Mr Lee Kim Seng, a 69-year-old private-hire driver, was among those who received their booster jabs at Teck Ghee Community Club yesterday. Health Minister Ong Ye Kung said more than 12,000 seniors have booked an appointment for their booster shots. ST PHOTO: KEVIN LIM

Gig workers • Panel identifies 3 areas to boost protections

The Advisory Committee on Platform Workers has zeroed in on three key areas to focus on in a bid to create a fairer, more balanced relationship between gig workers and their companies.

These workers, who include delivery riders, private-hire car drivers and taxi drivers, are not entitled to the basic protections afforded to employees.

After its first meeting yesterday, the committee said that it will focus on improving retirement and housing adequacy, ensuring adequate financial protection in case of work injury, and closing the gap in bargaining power between gig workers and platforms they work for.

SEE THE BIG STORY • A6

HDB projects • Contractors get lifeline to reduce delays

Construction companies working on Housing Board projects have been thrown a lifeline to help lock in prices for some raw materials, in a move by the Government to ensure that construction progress remains on track and to minimise delays for home buyers.

The duration of steel price protection provided by HDB will be extended for a total of nine additional months, so that contractors do not have to worry about the fluctuation in steel prices, for example.

The HDB said in a separate statement yesterday that about 35 projects could benefit from this extension.

SEE THE BIG STORY • A6

Job vacancies hit record high of 92,100 in June

Experts say this and the slight rise in layoffs in Q2 could mean job, sectoral mismatches

Jolene Ang

Job vacancies in Singapore rose to a seasonally adjusted all-time high in June, driven by demand for manpower in growth sectors and the difficulty of filling posts on account of border restrictions.

At the same time, tighter Covid-19 curbs in the second quarter of the year also saw retrenchments rise slightly, compared with the first quarter, while more people were placed on shorter work weeks or temporarily laid off.

The juxtaposition of high job vacancies – 92,100 in June – and higher retrenchments, revealed by data from the Ministry of Manpower (MOM) yesterday, could indicate job and sectoral mismatches, said experts.

MOM said there were 163 openings for every 100 unemployed people in June. The ratio of vacancies to unemployed people increased to above one for the first time since March 2019. These are seasonally adjusted figures.

OCBC Bank's head of treasury research and strategy, Ms Selena Ling, said a higher retrenchment rate does not necessarily imply a lower vacancy rate, adding: "The latter is tied to business confidence in hiring."

Human resource advisory firm PeopleWorldwide Consulting's managing director, Dr David Leong, also said it is not a case of simple substitution. "The unemployed persons cannot seamlessly adapt and assimilate into the available job opening," he said.

The number of retrenchments rose slightly from 2,270 in the first quarter this year to 2,340 in the second quarter, although Permanent Secretary for Manpower Aubeck Kam told reporters at a briefing yesterday that the figures still remain within the pre-pandemic quarterly range.

"The majority of retrenchments were due to restructuring and reorganisation," Mr Kam added.

Meanwhile, there were notable increases in job vacancies in construction and manufacturing, which had high vacancy rates for production and transport operators, cleaners and labourers, according to MOM's second-quarter labour market report.

MOM said the ongoing border restrictions have affected the availability of manpower in construction and manufacturing.

Both sectors have a higher reliance on non-resident workers, and job vacancies have been climbing steadily in previous quarters, the ministry noted.

There was also sustained demand for manpower in growth sectors like professional services as well as information and communications, which saw high vacancy rates for professionals, managers, executives and technicians.

Meanwhile, resident unemployment continued to ease in the first half of this year, data from the ministry showed.

The seasonally adjusted resident long-term unemployment rate dipped to 0.9 per cent in June, from highs of 1.1 per cent recorded in both December last year and March this year.

Overall, seasonally adjusted unemployment rates were at 2.7 per cent in June this year, continuing a downtrend.

Manpower Minister Tan See Leng said in a Facebook post yesterday: "The improvement in the labour market is a reflection of both businesses and workers adapting to the new environment, and seizing new opportunities."

The Government will work with its tripartite partners to continue to support businesses and workers, he added.

MOM's Mr Kam said: "We are working hard to ease border restrictions and open up domestically as our vaccination rate continues to rise."

This should raise employment levels and progressively reduce unemployment rates, he noted.

"However, we should continue to expect the labour market recovery to be uneven across sectors as uncertainties in the external economic environment remain."

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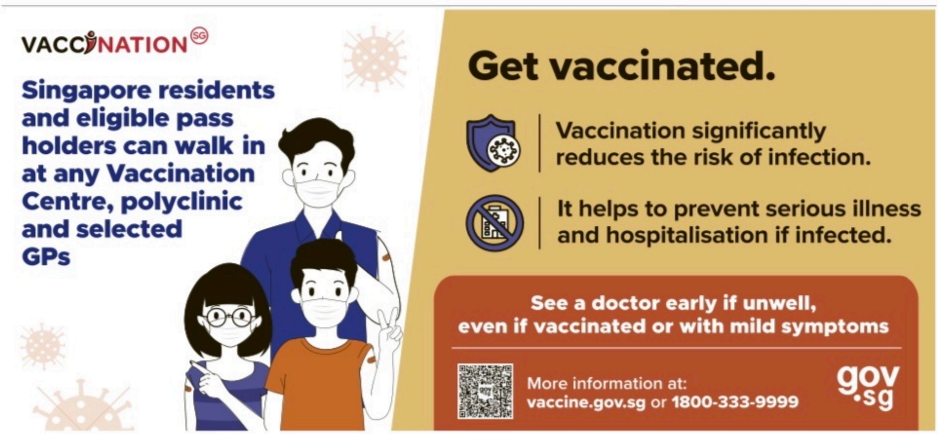

PARLIAMENT

House passes 2-week rental waiver framework; includes provisions for flexibility, discretion

For example, evidence of at least a 20% drop in tenant's revenue during P2HA does not have to be in form of profit and loss statement

By Lisa Kriwangko
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Singapore

THE Covid-19 (Temporary Measures) (Amendment No 4) Bill, which includes a rental waiver framework requiring private commercial landlords to provide two weeks of rental waiver, has been passed in a Parliament sitting on Tuesday.

The framework is being implemented to cushion the effects of tightened safe-management measures during Phase 2 (Heightened Alert), or P2HA, on qualified small and medium enterprises (SMEs) and non-profit organisations (NPOs), according to a Ministry of Law statement.

Under the bill, landlords who have provided rental support to their tenants during P2HA may offset from their rental waiver obligations any direct monetary assistance or rental waivers provided from May 16 up to the date they receive all the tenant's supporting documents.

However, Law and Home Affairs Minister K Shanmugam noted during his speech in Parliament that it is not possible to account for all specific circumstances exhaustively within the legislation.

"Hence, the bill includes a provision to give the assessors greater flexibility and discretion to take into account exceptional circumstances of landlords," he noted.

To qualify for the waiver, the framework requires tenants to provide evidence that they have suffered at least a 20 per cent drop in average monthly revenue during both P2HA periods, among other criteria.

However, in addressing questions raised by Members of Parliament, Mr Shanmugam explained that the evidence does not have to be in the form of a profit and loss statement, as the ministry recognised that some tenants may not have kept their accounts in that manner.

He said: "The law allows them to swear a statutory declaration that their businesses have gone down by the required amount and attach whatever evidence they have."

Mr Shanmugam added that the evidence must be "probative" and "helpful to come to that conclusion".

"If the landlord refuses to accept that, then it's a matter between landlord and tenant, and it can then go for assessment too," he said.

To ensure a wide array of tenants can benefit from the bill, Mr Shanmugam added that the ministry has made various resources to explain the scheme, including infographics which would be translated to other languages.

The ministry has also partnered agencies and industry associations to ensure that such resources are disseminated effectively.

"Webinars will be organised to explain the scheme to stakeholders and address queries," added Mr Shanmugam.

The bill's notice of rental waiver and declaration form will be distributed along with the second Rental Support Scheme (RSS) payout in October.

Gig workers: CPF, injury risk expected to be in focus amid review

By Sharanya Pillai
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Singapore

CENTRAL Provident Fund contributions and work injury compensation are key issues that will likely be in the spotlight with Singapore's review of gig worker protections, reckon some observers.

This sentiment comes as the Ministry of Manpower is convening an advisory committee to look into strengthening protections for delivery riders, private-hire car drivers and taxi drivers. The review was first announced at this year's National Day Rally.

Speaking in Parliament on Tuesday, Senior Minister of State for Manpower Koh Poh Koon said that the committee will focus on ensuring a "more balanced relationship" between platforms and their workers.

He noted that platform workers can resemble employees. Platform companies set the price of the product, determine which jobs are assigned to workers and manage how the workers perform. This includes imposing penalties and suspensions.

Observers told *The Business Times* that they expect the committee may review existing legislation to plug the gaps for gig workers.

Amarjit Kaur, partner at Withers KhattarWong, anticipates "a focus on health and safety aspects, CPF contributions and other ways to enhance the welfare of gig economy workers".

"The existing legislative regime, including the Employment Act, might well be expanded to afford protections to gig workers akin to those offered to employees," she added.

Ian Lim, partner at TSMP Law Corp, noted that the issue of CPF contributions for gig workers "will need to be statutorily addressed". Otherwise, Singapore may see a growing number of workers who enter their retirement years with little to no CPF savings.

The Ministry of Manpower is convening an advisory committee to look into strengthening protections for delivery riders, private-hire car drivers and taxi drivers. BT FILE PHOTO

Given the flexible nature of gig work, there might be a need to set a benchmark on which gig workers can qualify for CPF contributions from a platform, said David Leong, managing director of human resources advisory PeopleWorldwide Consulting.

"These are all tech companies, they can measure the frequency and load of work... For example, as long as the person is employed for 12, 24 or 35 hours a week minimally, then maybe the company can contribute CPF. The government must set a benchmark," he said.

Another major issue is work injury compensation, especially for delivery riders, with long hours on the road and significant pressure to deliver on time, Mr Lim noted. Unlike employees, such gig riders cannot claim compensation for work injuries under the Work Injury Compensation Act.

The fact that taxi drivers are included in this review is also interesting, Mr Lim said, given that they have long been considered self-employed contractors. It is possible that labour protections for cabbies are now getting renewed attention as the gig worker pool expands.

"Perhaps because this group has been around for so long, the lack of such protections for them became accepted as status quo and no one really looked too much into it, or maybe it wasn't a large enough group to do something about previously. That should be changing now though," he said.

There is not much data available on the numbers and profiles of gig workers. But in Tuesday's parliament session, Dr Koh revealed that in 2020, out of a pool of 190,000 individuals engaged in self-employment as their main source of income, some 79,000 individuals worked with matching platform companies.

About half of the 79,000 are private-hire car drivers and one-third are taxi drivers. The remainder are mainly car and light goods vehicle drivers performing delivery work.

From 2018 to 2020, the median monthly income of full-time employed residents in the three occupations stood between S$1,500 and S$2,000.

When asked for their reactions to the review, platform companies generally emphasised that their gig workers value flexibility.

A Deliveroo spokesperson said that the company is "in favour of increasing riders' protections, as long as this does not compromise their self-employed status".

The food delivery service, which has over 9,000 gig riders in Singapore, is in touch with MOM and hopes to contribute to the advisory committee.

A foodpanda spokesperson said: "The reality is the bulk of our riders are on the platform for a brief period of time as a supplemental gig... Riders choose when and how much to work, and earn as much as they want to."

Grab said that it has been engaging NTUC and MOM on gig worker protection. Gojek Singapore's general manager Lien Choong Luen did not address BT's queries directly, but said that the company is engaging with the government.

ComfortDelGro and Lalamove did not respond to requests for comment.

The developments in Singapore comes as a Dutch court ruled this week that Uber drivers are employees, not contractors. The UK and the US recently saw similar legal developments.

Some 77% of 103,000 workers to earn at least S$1,400 with new Local Qualifying Salary rules

By Sharon See
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Singapore

ABOUT 77 per cent of workers who earned less than S$1,400 last year will see their wages rise to at least that level by September 2022, when new rules on the Local Qualifying Salary (LQS) kick in, said Senior Minister of State for Manpower Zaqy Mohamad.

That is when firms that hire foreigners will be required to pay all their local employees a LQS of S$1,400. Currently, they only pay some local staff the LQS, depending on how many foreigners they hire.

In all, there are 103,000 such lower-wage workers, who constitute 5.3 per cent of the full-time employed resident workforce in Singapore, Mr Zaqy said in Parliament.

The remaining 23 per cent of these employees work in businesses that do not hire foreign workers, he said.

The vast majority of these businesses are very small, with fewer than 10 staff, and include small family operations such as hawker stalls and heartland shops.

"They don't have the business scale or reach, and we are mindful that sudden wage shifts to these micro-businesses can result in business failure," Mr Zaqy said.

Even though the remaining workers are not covered by the LQS requirement, these workers should still see "meaningful increases" in their wages over time due to market forces, he said.

Meanwhile, the ministry has no plans to further increase the LQS for now, given that it will have significant impact on employers, said Mr Zaqy, noting that it has been revised four times in the last five years.

Instead, the Ministry of Manpower (MOM) will focus on the implementation of the new LQS rules as well as sectoral and occupational progressive wages to establish their relevant wage benchmarks, he said.

Mr Zaqy was fielding a slew of questions from Members of Parliament on MOM's plans to expand the Progressive Wage Model (PWM) and LQS, based on recommendations from a tripartite workgroup, which he also chairs.

The PWM, once described by former Manpower Minister Josephine Teo as "minimum wage plus", is a framework where workers earn more wages as they gain more skills.

Noting the workgroup's recommendation for these workers' wage growth to outpace productivity growth in the medium term, Mr Zaqy said: "The sustainable response is for businesses to use this period to urgently enhance their firm-level productivity to better support wage increases for workers."

He added that the government will continue to support firms through the Productivity Solutions Grant, as well as more specific efforts enabled by the Industry Transformation Maps.

Asked why the government is lowering the Workfare qualifying age to 30, Mr Zaqy said some workers aged 30 to 34 have continued to remain in the lower-wage range despite upskilling efforts.

"At this age, they are just starting their own families or are looking to buy their first home.

"We believe that Workfare will help them better cope with their current expenses, and to start saving for retirement," he said.

Below the age of 30 however, most workers would have just started work and are earning starting salaries.

"Most will have greater potential for future income growth. Therefore, it will be too premature to consider them for Workfare," he said.

Instead, these workers would be better supported through training and upskilling efforts, such as SkillsFuture, to help them get better jobs and grow their wages.

Mr Zaqy urged the House to not look at each measure in isolation but to bear in mind the overall and holistic impact on not just workers, but employers.

Noting that there is likely some degree of cost increase to accommodate higher salaries for lower-wage workers, Mr Zaqy said: "This is where we as consumers have got to do our part in support of our lower-wage workers.

"I therefore hope that Singaporeans will not accuse firms unfairly of profiteering, but let's also work together to address any unreasonable price increases or practices."

Grab posts higher revenue but wider losses in Q2, faces speed bumps

Continued from Page 1

Total outstanding debt was US$2.1 billion. This was primarily due to the closing of Grab's first senior secured term loan facility of US$2 billion at the end of January.

For Q2, adjusted net sales – an alternative measure of performance not prescribed by International Financial Reporting Standards – stood at US$550 million. Gross merchandise value – or the total value of transactions on Grab's platforms – was US$3.9 billion. Grab also said its net loss as a percentage of its GMV has since narrowed to 21 per cent, from 30 per cent a year earlier.

Angus Mackintosh, an analyst at CrossASEAN Research, pointed out that Grab's consolidated GMV is now 119 per cent of pre-Covid-19 levels, which is a "positive sign".

"Profitability is looking better on a number of metrics, which is promising," he said. Mr Mackintosh acknowledged that Grab's net loss has widened, but added this was mainly due to non-cash items.

Meanwhile, Grab has cut its full-year forecast for 2021, expecting to report group-level adjusted net sales of US$2.1 billion to US$2.2 billion for the full year, a step down from the US$2.3 billion it initially projected in April. It also expects full-year GMV of US$15 billion to US$15.5 billion, trimmed from an earlier forecast of US$16.7 billion.

The Singapore-based company said that it remains "cautious of the renewed uncertainty of movement restrictions in South-east Asia", and anticipates an extension of partial and complete lockdowns in several of the countries in which it operates.

"While mobility volumes may remain weak going into Q3 with all the lockdown measures in place, this has been more than offset by the sustained momentum in our deliveries business," said co-founder and chief executive Anthony Tan in an investor webcast on Tuesday.

He added that the company is well-positioned to capture the recovery and mobility demand once lockdown restrictions ease.

But as competition heats up and players in South-east Asia amass more firepower, Grab must continue to "invest heavily in research and development", said Su Lian Jye, a principal analyst at global tech market advisory firm ABI Research.

He added that these investments should go towards emerging technology such as artificial intelligence and last-mile delivery. Grab can also look to continuously improve its user experience and optimise its existing operation. "That's the best way to differentiate itself from its regional peers", he said.

CrossASEAN's Mr Mackintosh holds a similar view: "(Grab) needs to keep its strategic direction right, given that rivals Sea and GoTo are building up their war chests."

Grab's ride-hailing and food delivery arms could face further challenges if Singapore turns to more robust regulations for platform workers.

Meanwhile, Grab would do well to also take heed of impending moves towards better protection for gig workers.

Drivers are a key part of Grab's workforce, and its ride-hailing and food delivery arms could face further challenges if Singapore turns to more robust regulations for platform workers.

In Parliament on Tuesday, Senior Minister of State for Manpower Koh Poh Koon said that a newly formed advisory committee will focus on ensuring a "more balanced relationship" between platforms and their workers. During his National Day Rally speech this year, Prime Minister Lee Hsien Loong had said some of these platform workers lack basic job protections such as workplace injury compensation, union representation and employer Central Provident Fund contributions.

Lawmakers overseas are already starting to design guidelines to include such protections for workers, but Grab might find itself needing deeper pockets and fatter margins for this. ABI Research's Mr Su told *The Business Times* that if the reclassification of gig workers as employees were to happen, it will "significantly impact" Grab's financials.

Grab will then need to fork out health insurance benefits, minimum wage, paid leave, and even overtime pay for its workers. There is little power it has to reverse that, he added.

Earlier in April, Grab had highlighted in its regulatory filings that if its drivers were reclassified as employees, there may be "adverse business, financial, tax and legal consequences for the company". The higher costs it may have to shoulder for its workers may also have an impact on employment.

Cutting foreign worker numbers won't save jobs for Singaporeans

Continued from Page 1

Manpower Minister Tan See Leng rejected the PSP's proposed levy, saying this would not help to regulate quality.

A levy would eat into an employer's budget for an EP holder, narrowing the pool to those who would accept the lower salary, he said. As for quotas and caps, this could result in the loss of high-end jobs for locals.

More broadly, he warned that the PSP's stance on foreigners and FTAs is detrimental to business and investor sentiment regarding Singapore.

Singapore has fallen from first to fifth in the Institute for Management Development's (IMD) 2021 World Competitiveness Ranking, sliding down in areas such as "attitudes towards globalisation", "availability of skilled labour" and "immigration laws preventing companies from hiring foreign labour", he noted.

What the PSP says "has an effect on IMD's assessment, and on business sentiments, here and overseas", he said. "Investors watch and wonder: how many other Singaporeans feel this way?

"Has Singapore become less welcoming of foreign investments, of global talent?"

To show that the increase in foreign PMETs has not led to worse outcomes, Dr Tan gave figures on employment growth, low unemployment rates, rising job vacancies, and rising median wages for local PMETs.

Ideas were also offered by Workers' Party MPs. Leader of the Opposition Pritam Singh suggested that skills transfers from foreigners to Singaporeans be tracked, monitored, and reported.

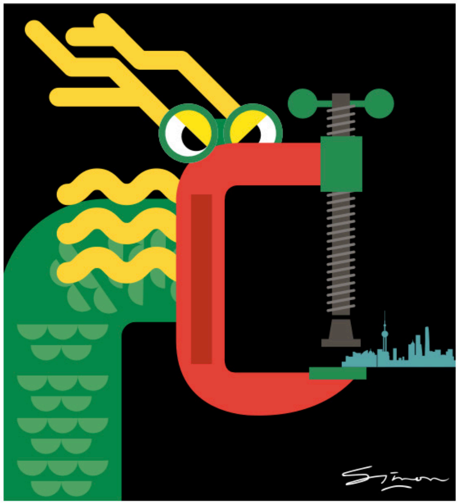
He also proposed a new type of fixed-term EP that can be renewed only if the company can prove that under the previous EP, Singaporeans benefited from skills upgrading.

Replying to the latter, Dr Tan said that it does not make sense for the Manpower Ministry to be the judge and "force employers to let go of experienced work pass holders once their fixed term is up".

THIS WEEK'S TOPIC

What impact, if any, will China's private-sector crackdown have on Singapore's businesses and economy?

A regulatory blizzard



BT ILLUSTRATION: SIMON ANG

Victor Mills
Chief Executive
Singapore International Chamber of Commerce
In the long term, there will be no significant negative impact. China and the party need the private sector to sustain economic growth and legitimacy respectively. In the short term, the speed of regulatory change has surprised and worried many as have moves to restrict what foreign system schools can teach. These regulatory moves are designed for control reasons and to defuse any threats to national security caused by unbridled corporate ambition and exuberant behaviour. They are also designed to rein in distasteful displays of wealth and to encourage the funding of programmes to help the less well off. This is socialism with Chinese characteristics.

Lawrence Loh
Director, Centre for Governance and Sustainability
NUS Business School
The current China action on the private sector is probably a one-off correction effort to transit businesses towards a stronger social stance. The income disparity will become even more untenable if the unfettered development of business were to persist. The fundamentals of the Chinese economy continue to be strong. In fact, the regularisation now will bring forth new advantages and opportunities for overseas investors. The competitive map has been re-configured as there is less entrenchment amongst the big Chinese companies. The nature of consumer demand and producer supply will change. If foreign market participants play their cards well, they may actually turn out to be new winners.

John Bittleston
Founder and Chair
Terrific Mentors International Pte Ltd
China is socialising capitalism to bring both real and perceived benefits to the poor. From Deng Xiaoping's introduction of a more capitalist society to today, the movement has benefitted China society, but unevenly. Visibly great wealth achieved, much poverty relieved but much poverty remains. China's actions are more a levelling up than a crackdown. Singapore was already doing this in a less draconian way. Lowest wages are being increased. Every society has to find the best ways to improve the lot of the lowest paid. Attempts to make a fairer society are praiseworthy. Attempts to reduce game addiction among the young are also important.

Leon Perera
Chief Executive Officer
Spire Research and Consulting
Sudden policy changes can have outsized effects on business confidence since investment is all about the long-term outlook. What is more damaging about China's recent regulatory blizzard is the perception that these changes are not arbitrary; rather, the government may be entering a new phase of social engineering-oriented policy-making, where companies' ability to innovate will be constrained by what the state deems to be culturally acceptable. Singapore companies that are present in the affected sectors in China will face a subdued outlook for some time to come. Singapore firms may also need to re-evaluate the viability of some of these Chinese companies as business partners in third countries, if they are financially dependent on their home market. However, Singapore firms may benefit from some degree of outflow of financial investment from the affected Chinese companies.

David Sandison
Singapore Practice Leader
Grant Thornton
Taking a step back, the stated aims of the Chinese government – tackling monopolies, enhancing data protection and protecting the young from technology addiction – are the same things we hold dear. But China goes about it in its own way. Investors are a fickle lot, so naturally, the measures will make some of them wary about putting money into that economy for the time being. It may also cause them, in the short term, to look for more stable environments, aka Singapore, where innovation and entrepreneurial flair are supported, and political and economic stability assured. So, it may have a brief beneficial impact on FDI into Singapore, by diverting attention. But don't bet on it lasting.

Alicia Garcia Herrero
Chief Economist
Natixis Asia Pacific
China's ongoing crackdown is not only relevant for China, but Asia and the world. Singapore is no exception. There are a few channels for spillover effects. Firstly is the increasingly negative sentiment of foreign investors on China and, more generally, Asia given the dominance of China in Asia's financial markets.

Secondly, China's push to shape its model for digital sovereignty will have a bearing on Singapore's model as well. Singapore will be inclined to become more careful regarding data privacy issues and the role of foreign platforms. This might be hard given the relatively small size of the Singapore economy, and Singapore could feel increasingly squeezed between the US major data platforms and China's digital ecosystem. Finally, China's quest for common prosperity will steer discussions across the region as to a renewed focus on income distribution. This might put into question Singapore's model in terms of the structure which relies on importing labour but with a segmented welfare state. All in all, China's crackdown has many more channels to impact Singapore than prices of tech stocks, many of which are much more structural.

Joanne Wong
VP, International Markets
LogRhythm
As Chinese tech companies face growing pressures at home, they will have their eye on alternative bases beyond their borders. Singapore, with its strong business climate and connectivity to the rest of Asia, is a natural frontrunner. More are expected to join the ranks of Chinese tech giants that have set up regional hubs here, and turn to us as a hotspot for innovation and investment.

This will undoubtedly inject new life to our nascent tech ecosystem and bring about exciting opportunities for local businesses. But to sustain investors' attention in the long run, we must build on our core business fundamentals – a stable legal and political environment, pipeline of local talent, and strong cyber competencies – and demonstrate that our digital economy is one that is built to last.

Chia Ngiang Hong
President
Real Estate Developers' Association of Singapore (REDAS)
China's wide-ranging crackdown is likely to slow its economy. This could have a knock-on effect on regional trades and lead to reduced demand for Singapore's exports and services. The sharp sell-off in Chinese equity markets and stocks would inadvertently affect investors' confidence and dampen sentiments, but the impact on Singapore's businesses exposed to China is likely to be mixed.

Those sectors targeted by the regulatory measures would be adversely affected while industries seen as crucial for promoting the country's ambition to be a manufacturing superpower and achieving carbon-neutral goals will likely benefit. The pervasive crackdown may also prompt foreign businesses to seek alternatives to China and Singapore being a likely candidate could bring about enhanced economic growth. In the longer term, I believe these regulations could pave the way for a more balanced, sustainable and broad-based growth in China, generating knock-on benefits for Singapore.

David Kuo
Co-founder
The Smart Investor
Actions often speak louder than words. And the actions of the Chinese government speak louder than its soothing words to reassure private businesses. Point is, it can take years to build a reputation but just minutes to ruin it. China has tarnished its reputation as a stable place to do business. But that is unlikely to deter some of Singapore's businesses from pursuing a market of almost 1.3 billion consumers. However, it won't be business as usual now that China has revealed its intentions. Warren Buffett once said: "A man who tries to carry a cat home by its tail will learn a lesson that can be learned in no other way." For many, the rewards of success in China just won't be worth the risk.

Vadim Berman
Chief Executive Officer
Tisane Labs
The interference will likely not end here. The only real reassurance would be rolling back the changes, which will not happen.

The damage has been done already. Singapore is heavy on fintech and edtech, with much investment going to China. With restrictions on crypto and private tutoring, Singaporean investors lost money.

Xi Jinping's policies borrow heavily from the playbook of Russia's Putin. Fast forward to the present, every significant Russian company today is incorporated offshore, often with the management residing there. That, however, is where Singapore may benefit. The flow of Chinese money started increasing in 2019, and will likely pick up with Singapore's image as a friendly safe haven.

Helen Ng
Chief Executive Officer
Lock+Store
Singapore businesses with exposure to China, such as real estate companies and gaming companies, should review their business practices and ensure they do not run afoul of local laws. The problem is there is such a lack of clarity as to whether the crackdowns are people or industry-specific that there is nothing much foreign investors can do except try not to stand out from the crowd.

Dileep Nair
Independent Director
Thakral Corporation Limited
China's private-sector crackdown has been massive. It has wiped out a staggering US$1.2 trillion in market value of large Chinese companies. Many Singapore companies, led by Temasek, have suffered big losses. So have Singaporeans who invested in those Chinese firms. There's a danger now of becoming overly bearish about China. However, there's a method in China's apparent "madness". Economic development firmly remains a priority but with focus shifting squarely on the real economy.

China is subordinating unfettered growth and excessive profitability for higher national objectives such as more inclusive growth, better social well-being, affordable housing and cohesiveness of the people. This is a more enlightened approach to economic governance. Strategic investments into AI, semiconductors, 5G, advanced manufacturing and green energy will continue apace to propel China's technological advance. Singapore companies would do well to invest into such areas either directly or with Chinese companies, and share the fruits of China's continued growth.

Agnes Cai
Chief Executive Officer
Foord Asset Management
While regulatory nuances ebb and flow regularly across markets, at least a portion of those introduced in China were unexpected. The move to convert the private education sector proved unnerving to investors. With the potential increases in government oversight of firms domiciled in China, we foresee an increase in the number of firms exploring alternative options, including relocation to Singapore.

Singapore is already an attractive jurisdiction for foreign companies to domicile and headquarter – the certainty of the protections provided by a sound legal system, an educated and talented local labour force, the ability to attract and hire foreign talent, and a stable and forward-thinking government, make Singapore a standout among regional and global competitors.

Maren Schweizer
Chief Executive Officer
Schweizer World Group
The grand steerage is a break with the old pro-growth model and the beginning of "real state capitalism" that will negatively or positively affect businesses connected to China.

What is certain is that these actions raise significant questions about the future role of international tech investors in the world's second-largest economy. Over the last 20 years, that answer was easy. Growth, scale, and investor profits. Anyone who could help was invited.

China's steerage transfers resources from Internet companies to firms that can create technological advances, such as semiconductors, electronics, quantum computing, advanced manufacturing, and enterprise AI. These companies are considered strategically crucial with core technologies that many believe will determine China's future. Our new Schweizer Electronic high-tech plant in Jiangsu province, China, that started operations in May 2020 serves as an example.

While regulation for Internet companies is required, the fast move has spooked entrepreneurs and private equity investors alike.

Jakob Nilsson
Head of Distribution, Asia-Pacific
Federated Hermes
We think that China's crackdown will have two outcomes for Singapore – one economic and one more societal. As business opportunities within China have become more restrictive – hopefully this is temporary – the affected companies will pivot more toward their offshore businesses, which should be positive for the Singapore economy. The second impact is a potential re-evaluation of some of the practices that China is trying to curb that are present here and in many parts of the world. Some examples include the education arms, excessive screen time and gaming for children, as well as inequalities within society.

Mario Singh
Chief Executive Officer
Fullerton Markets
It's important for us to first understand the reasons for China's recent crackdowns. China is currently into its 14th five-year-plan which runs till 2025. During this time, the Chinese government plans to "pursue common prosperity" and prevent the "disorderly expansion of capital". This is the main reason for the widespread crackdown on various sectors.

So far, the crackdowns have wiped off over US$1 trillion in the value of the affected companies. These measures are bound to affect Singapore's businesses and economy at some level. China has been Singapore's largest trading partner and Singapore has been China's largest foreign investor since 2013.

Singapore also became China's largest foreign direct investment destination country since 2019. So the link is clear – China's continual crackdowns will result in more economic value being wiped off from the affected firms, thereby directly impacting companies here with trading or investment ties with those affected firms.

Henry Tan
Group CEO
Nexia TS Group
The crackdown on Chinese private companies is mainly not an economic decision but a political one. With the need for China to ensure that the communist party and its ideology continue to be relevant, the increasing power that its high tech private firms have been building is not something that the party is comfortable with. It doesn't help that the owners of these companies have grown rather influential.

China has to clamp down before things get out of hand. The Chinese action creates an opportunity for other countries, as the affected companies adjust their business model to survive and thrive. Singapore can be one of the benefactors of this shift that will gain in momentum. Singapore can be a platform that Chinese private companies find comfortable to collaborate with to deal with the rest of the world.

Lim Soon Hock
Managing Director
PLAN-B ICAG
While the regulatory blitz, recently extended to a broad swath of sectors amid national campaigns for an Internet clean-up and "common prosperity", intended to reduce income inequality, is altruistic and laudable, the restrictions and bans seem to run counter to acceptable marketing practices, more so in a now fairly developed country like China.

The growing concern over gaming addiction on kids should best be left to parents rather than lead to an unnecessary intervention by the state. The new rules on the tuition industry also go against the spirit of enterprise.

An important lesson to be drawn, not just for businesses but for Singapore as well, is that China can be unpredictable, and going forward all must be prepared to expect the unexpected. That Singapore companies with businesses or investments in those sectors are now in a fix is an understatement. Social imperatives seem to have taken priority over economic goals. The affected firms will have to reposition, reshape, reconfigure, reallocate, perhaps even reinvent themselves, to tackle all the knock-on effects.

The reassurance to private businesses of the authorities' continued strong support remains to be seen.

David Leong
Managing Director
PeopleWorldwide Consulting Pte Ltd
China's broad regulatory sweep, covering a large swath of sectors and/or aimed at particular persons, are meant to equilibrate back to the centre, to prevent over-heating effects of certain behaviours or market and societal tendencies with long term undesirable consequences. Common prosperity is the current reigning agenda. While the world is battling Covid-induced stresses, both economically and socially, China is resetting its growth tempo by centering its economic and social tendencies.

Singapore's businesses need to hold and watch as these are not random occurrences and transitory but with deep impactful changes and consequences. The issues at play – student stress, pressure-cooker education system, falling birth rates, vulnerabilities of tech data, etc – also affect Singapore. There may be lessons for Singapore.

Joshua Yim
Chief Executive Officer
ACHIEVE Group
China's recent crackdown is a bold move to eradicate malpractices that are harming the well-being of the country. While these actions are having major impacts on China's economy, Singapore businesses are unlikely to be adversely affected. In the aftermath of the crackdown, some global players may shift their operations and funds to Southeast Asia, bringing with this an uptick in business activities. This will undoubtedly spur local businesses and benefit the Singapore economy.

In the long run, however, once the impact of the crackdown settles, investments are highly likely to flow into China again, and China will be better prepared to advance to a higher level of economic expansion. Singapore, as a longstanding partner of China, will grow alongside China and benefit from the affiliated prosperity.

Ulisse Dell'Orto
Managing Director APAC
Chainalysis
Amid China's private-sector crackdown, there are lessons that regulatory bodies and financial institutions in Singapore can take away – particularly when it comes to the governance of blockchain technology and cryptocurrency.

Cryptocurrencies operate on public, immutable blockchains ledgers. That means the network is inherently transparent and all activities – legitimate or illicit – could be effectively monitored and traced with the help of blockchain data platforms like Chainalysis. The missing piece now is a regulatory framework that scales with the burgeoning applications on the network.

As one of the world's most established regulatory climates for cryptocurrencies, Singapore is well positioned to strike a balance between regulation and financial innovation, and cement our position as Asia's leading crypto-financial hub.

Toby Koh
Group MD
Ademco Security Group

Foreign talent has been an essential component to Singapore's progress through the years – not just in business and industry, but in sports, arts, culture and more.

As a proud Singaporean, I will be the first to protect fellow Singaporeans' livelihoods because my own friends and family may be affected. However, the reality is that our country needs more talent to grow.

Human capital is a precious resource. As banker Walter Wriston noted, human capital will go where it is welcomed and stay where it is well treated. Singapore must continue to open our doors to foreign talent that can make a difference to the country – not all talent, but the most fitting talent. Let us not forget that many of our forefathers were also foreign talent.

David Chan
Managing Director
AdNovum Singapore

The talent crunch in the cyber security industry is real, and there is an acute need to attract and retain these top cyber security talents.

AdNovum has kickstarted the upskilling and reskilling efforts for our employees to better meet the industry's latest requirements and demands. Our current talents are valued, and we constantly review against global salary benchmarking tools to ensure competitive compensation. AdNovum has teammates of different levels in the interview process to ensure that all candidates are hired based on merit, regardless of their age, gender and ethnicity.

The tightening of work pass criteria encourages organisations to remain open, but must be further supported to ensure that resources for highly competitive industries are sufficient.

Joshua Yim
Chief Executive Officer
ACHIEVE Group

Tightening of work pass rules could be driven by the nature of the job and the availability of talents, rather than by the usual qualifications and salary prerequisites. Today, Singaporean professionals, managers and executives (PMEs) have the competencies to excel in many positions, particularly in human resource, finance, legal and taxation.

Conversely, there is a scarcity of Singaporean talents in areas such as bioscience, data science, cyber technology. Work pass rules could thus be adjusted to admit foreign specialists who possess the skills that Singaporeans do not have at present. This ensures that our industries will not be held back for the lack of talent At he same time, Singaporeans' job concerns can be equitably addressed while our economy as a whole can progress and remain competitive.

Callum Laing
Chief Executive Officer
MBH Corporation PLC

This is super simple. Industry will hire the best people regardless of location. When they were welcome in Singapore, they were housed here, given local support staff, etc. Now that it is impossible to bring talented foreigners to Singapore, we are just telling them to stay where they are. Remote working is the norm, so let's just get on with it.

For support staff, let's adopt the same approach – get the best people regardless of the location. I'm sure the Singapore economy will be just fine, but the businesses I'm talking to are voting with their feet – and that means less local hires.

Laletha Nithiyanandan
Managing Director
Behavioural Consulting Group

If you see the salary cut-offs from a longer-term perspective, it's actually good for Singaporeans as wages need to go up for them to participate in fields where we use foreign workers at a low cost. In some countries such as Australia, it is possible to earn well doing skilled work; we need to build that expertise locally again.

With regard to foreign workers, we should also be concerned about what they have to pay in their country to get to work in Singapore as we don't want to indirectly feed human trafficking in any way.

Lim Soon Hock
Managing Director
PLAN-B ICAG

A key reason for bringing in foreign talent is to complement and enrich our human capital. It is good that this is calibrated in harmony with that of our local workforce. As more Singaporeans upskill, recruitment of foreign talent would have to be at a higher level or where we are lacking, for example in fintech, environmental, social, and corporate governance (ESG), etc. Both Singaporeans and foreigners would have to be on the same escalator, progressing upwards in skill, knowledge, and expertise for Singapore to be future-ready.

In the larger scheme of things, further tightening of work pass rules over time can only benefit the industry and economy, thus creating more and better jobs for Singaporeans.

Annie Yap
Executive Chairman & Founder
The AYP Group

Further tightening of work pass rules over time in Singapore will no doubt have an impact on many industries and the economy as a whole. The measures no doubt push many companies to localise jobs.

At the same time, sectors that face shortages of suitable local workers may have to end up paying their foreign workers a higher salary in order to retain them.

Personally, our professional employer organisation (PEO) services have allowed us to hire foreign workers remotely, which has enabled us to hire foreigners whose skills complement our local talents. Ultimately, this move could increase business costs for many, regardless of industry.

Tonny Loh
Partner
Heidrick & Struggles Singapore

We don't know all the changes yet, but based on what was already announced, in the short term, costs and prices will likely increase in the domestic sectors, but so will wages. This will benefit Singaporeans as our export sectors will likely remain globally competitive.

As Singapore seeks to maintain its position as an international business hub, the right balance must be achieved between welcoming foreign talent and developing a skilled local workforce. We compete on the world stage, and need the best talents to succeed. This will not change. There is no one-size-fits-all policy; and as a nation, we have already taken specific steps and a differentiated approach to build a steady pipeline of talent for various sectors.

For example, the recently rolled out Tech.Pass for foreign technical experts and business leaders in technology complements the SkillsFuture movement targeted at Singaporeans.

David Leong
Managing Director
PeopleWorldwide Consulting Pte Ltd

Manpower is scarce in Singapore. We have to recognise our vulnerability. Yet Singapore has not become weak competitively. The magic lies in our people and the way we organise talents, brain and brawn, locals or foreigners, to work for Singapore.

Restricting the flow of talent into Singapore cannot be a permanent solution; it will erode our competitiveness. During this phase of higher-than-normal unemployment, calibration of the valve to control the inflows is necessary. When the pressure eases, the valve should be loosened to ensure that we have enough brain and brawn to complement our economic growth strategies.

The policy tightening and loosening is a delicate balance. Singapore cannot be better off with a smaller population. Economically, it will not make sense. We need a dynamic, innovative, creative and vibrant pool of talent – local and foreign – to sustain our competitiveness.

Henry Tan
Group CEO
Nexia TS Group

In his speech, PM Lee is basically taking the bull by the horns to explain the fault lines Singapore is facing.

To me, further tightening of the EP and S-Pass criteria will have a very negative impact on the Singapore economy. I believe that Singaporeans in general are not averse to having foreign talent as long as firstly, it is on a merit basis and there are no signs of managers employing just their own nationalities. Secondly, for every foreign talent that a company brings in, there are multiplier effects on the number of Singaporeans employed.

With travel severely curtailed during the Covid-19 pandemic, Singapore has to be mindful of continuing to be relevant. We need to make Singapore, a small market, a convenient and attractive venue as a regional headquarters (HQ) for international companies. Otherwise, the MNCs may skip Singapore and run their regional HQ function from their home country.

The full list of views from CEOs is available at http://business.times.com.sg

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Noriza A. Mansor
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Fall in value of expat pay packages in S'pore in 2020

Cash salaries for mid-level expats still 5th highest globally: Survey

Choo Yun Ting

The leaner expatriate packages in Singapore mirror similar declines elsewhere, such as in Hong Kong and Thailand, said Mr Lee Quane, ECA International's regional director for Asia. This was partly driven by "lower costs of accommodation and other benefits" commonly provided to white-collar expatriates. ST PHOTO: KUA CHEE SIONG

Companies in Singapore spent less to employ expatriate middle managers last year, with overall pay packages marked by reduced benefits and a dip in salaries.

But cash salaries for expatriates here remain the fifth highest globally, according to a survey published by data and knowledge provider ECA International yesterday.

The average pay package for a mid-level expatriate here last year was US$225,171 (S$304,700), or around US$7,300 lower than the previous year. That made Singapore the 17th most expensive location globally for companies to send expatriates to.

Japan overtook Britain to top the list, with an average package of more than US$405,000.

Mr Lee Quane, ECA's regional director for Asia, noted that the leaner expatriate packages in Singapore mirror similar declines elsewhere, such as in Hong Kong and Thailand. This was partly driven by "lower costs of accommodation and other benefits" commonly provided to white-collar expatriates, he said. But they were also earning about US$1,000 less in cash salary than their peers in 2019.

"Combined with its ranking as the location with the best quality of living globally (according to ECA's location ratings), these trends serve to increase Singapore's attractiveness to expatriates looking to move to the region," Mr Quane noted. The Republic will also be appealing to companies looking to set up a regional hub, given the cheaper cost of hiring expatriates, he added.

In Asia, the value of expatriate packages in Hong Kong fell by over US$5,000 last year to about US$280,000, despite a slight average salary increase of US$265.

US$225,171

Average pay package for a mid-level expatriate here last year, or around US$7,300 lower than the previous year. That made Singapore the 17th most expensive location globally for companies to send expatriates to.

"While salaries for expatriates in Hong Kong rose by less than 1 per cent, employers were able to benefit from lower accommodation costs and reduce the... financial support for housing compared with the previous year," said Mr Quane.

In Malaysia, there was a significant dip in the cost of benefits – close to US$2,000 on average. This was attributed to lower rents amid a lack of demand for expatriate accommodation due to the Covid-19 pandemic and travel restrictions.

In Thailand, the average value of a pay and benefits package for overseas employees fell by close to US$18,000. The country is no longer among the top 20 most expensive locations to employ mid-level expatriates.

But Taiwan has joined the ranks of the top 10 most costly locations.

This was largely because of a rise in the costs of benefits, due in part to a steep increase in housing rents amid Taiwan's initial success in mitigating the spread of Covid-19.

In becoming the 10th most expensive location to hire expatriates, it overtook countries like South Korea and Australia.

ECA's MyExpatriate Market Pay survey includes information on benefits, allowances, salary calculation methods and tax treatments.

It appraised more than 300 companies across 160 countries and territories in the later months of 2020.

Human resource advisory firm PeopleWorldwide Consulting's managing director, Dr David Leong, noted that while basic salary would typically remain at about the same level, he has seen housing allowances and support for children's education being shaved off in the past year.

Dr Leong added that there has been a notable rise in the number of expatriates moving back to their home countries during the pandemic, with some facing different terms of employment if they continued working here due to companies tightening their belts.

yuntingc@sph.com.sg

PEAK POWER LIST 2021

Every year, *The Peak Power List* recognises movers and shakers in a specific area. This year – the eighth edition of the Power List – we honour the following next gen women who are trailblazers in their respective fields while pushing for gender equality and equity at the same time. Read their stories on *The Peak*.

From left: Oh Chu Xian (Magorium), Juliana Chan (Wildtype Media), Charu Mahajan (IBM), Kelly Keak (mtm labo), Tay Eu-Yen (Providence Law Asia), Lynn Dang (Microsoft), Val Yap (PolicyPal), Tee Khoon Tang (Chamber Music & Arts Singapore), Sandhya Sriram (Shiok Meats) & Virginia Tan (Teja Ventures).

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The Peak Singapore
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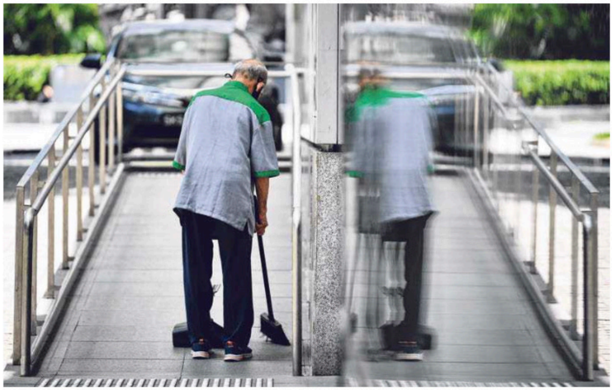
THIS WEEK'S TOPIC

To help uplift Singapore's lower-wage workers, does the progressive wage model (PWM) need to be supplemented by perhaps a minimum wage?

Appreciating work value equitably



An elderly cleaner sweeping the floor outside One Raffles Place.
BT FILE PHOTO

Victor Mills
Chief Executive
Singapore International Chamber of Commerce
A minimum wage would certainly help but it is not nearly enough. What is needed is an entirely different approach to how we view jobs. For far too long, office or white-collar jobs have attracted remuneration far above the value of many such jobs to society. This has depressed the status and perceived value of jobs essential to the functioning of any society. The pandemic continues to demonstrate the proof of this contention. We say we want a more equal society. We have to be prepared to pay for it to attract more people to the jobs which society needs.

Lawrence Loh
Director, Centre for Governance and Sustainability
NUS Business School
There are merits in the "vertical" approach of the progressive wage model (PWM) – it's focused and can go deep in addressing the total set of issues beyond just wages in itself. But there are many sectors and it will take a long time to cater to all workers one sector at a time. The "horizontal" approach of a minimum wage across the board will accelerate the rate of reaching out to all deserving workers. Time is of the essence now, especially in the pandemic transition. The dual vertical-horizontal mode will be a complete way to holistically address the specific issue of wage level, and more broadly, worker development in a phased manner.

Marcus Lam
Executive Chairman
PwC Singapore
While a minimum wage in and of itself may not do much to address income inequality, its value lies in being a psychological marker of societal worth. There may come a time when this psychological marker may need to be hard-coded as legislated minimum wages, which by itself is a fairly blunt tool. In the immediate term, we can already raise responsible ownership and inclusive leadership in employers as part of the wider environmental, social, and governance movement. This will entail creating a culture of respect for the entire diverse range of jobs and skills that play a crucial role in enabling society to be fully functional. This should also come with a wider recognition of individuals' contribution to society from taking on any honest trade.

Eileen Chua
Managing Director
SAP Singapore
As Singapore progresses, workers of all skill levels are important to build a successful and productive economy. Besides the PWM and regulations to protect lower-wage workers, public and private organisations need to continue their partnerships to reskill, train, and upskill their workforce to help companies adapt, change and think innovatively to corner new markets. Minimum wage is the first step towards elevating industry transformation and reducing inequality. In the long run, focusing on diversifying and enhancing lower-wage workers' skill sets will be the key to their long-term job and income progression. Only by providing salary security can workers further bolster their capabilities in tomorrow's skills-based economy.

Dileep Nair
Independent Director
Thakral Corporation Limited
A minimum wage has little impact on inequality. But it signifies a moral stand on the minimum a worker should be paid for his labour – something every developed society should take. The PWM does set a minimum wage – but only in specific sectors. Since its introduction in 2012, only three industries have a PWM. This covers barely 15 per cent of low-wage workers. Extending the PWM to other sectors takes time because of its complex structure and the need for consultation and negotiation. Given the relative simplicity of a minimum wage, twinning it with the PWM is sensible. Fears that a minimum wage results in rising costs to consumers and loss of competitiveness are overblown, given that wages make up 40 per cent of our gross domestic product (GDP), compared to over 50 per cent in most developed economies. Certainly, implementation will need some careful study, but I'll echo MAS chief Ravi Menon in saying "If any country can do it, Singapore can".

Mario Singh
Chief Executive Officer
Fullerton Markets
Yes, I believe it is time for the government to seriously consider minimum wage. Two reasons: Firstly, the PMW is currently limited to the cleaning, security and landscape sectors which account for only about 15 per cent of low-wage workers. What about workers in other low-wage sectors like retail or plant and machinery? Secondly, as much as the PWM is based on upgrading of skills, there's only so many skills required to keep an area clean or a place safe.

We don't need to look further than the pandemic to realise the huge role our lower-wage workers play with regard to the collective health and safety of our entire population.

Granted, there are challenges that need to be resolved before this becomes actual policy, but the goal remains that the purpose of a minimum wage is simply to raise the wages of those at the bottom of the income distribution.

Jeffery Tan
Group General Counsel and Chief Sustainability Officer
Jardine Cycle & Carriage
To respond to this question, there's a need to first reframe our perspective on wages, by asking the following: Is the issue one of "lower-wage" roles or the value we assign to them?

Are we prepared to accept the universality of a fair "base price" to pay for labour and services in a community – instead of merely treating some roles as "lower-wage" jobs that we are unwilling to pay fair value for, referencing the ability to access such services from available foreign labour, for which we have become accustomed to paying low wages? To ask ourselves if the services of a plumber (or any "lower-wage" roles) are less important than, say, a doctor, lawyer or digital software professional? We hire the latter individuals, relying on their expertise, which we lack. In the same way, we hire a plumber to repair a leaking pipe, as we lack the expertise. Should we not adopt a similar approach in fairly compensating the plumber as we do the others?

Seah Kian Peng
Group CEO
FairPrice Group
Addressing the complex issue of wages requires a holistic approach including parties from all sides of the spectrum. First and foremost, companies must find ways to upskill workers, whether through job redesign or better training programmes, to increase the value they provide to their customers. Customers, in return, should be prepared to pay more for the product and/or services from better-trained workers. Workers, too, may have to be open to deprioritising non-wage components over wages in the short term, though companies should leverage various government subsidies in place to aid in this transition.

This is an ongoing journey that will require a concerted effort and open communication by all stakeholders. Through the PWM, both companies and workers stand to benefit as it yields better returns in the long term while generating better value to customers – resulting in a win-win for all.

Maren Schweizer
Chief Executive Officer
Schweizer World Group
Policymakers and corporates should continue to focus on ways to help workers raise their skills to command higher wages and climb the employment ladder, using lower-wage jobs as a starting point. Work-based learning programmes have been shown to effectively raise wages, in part because employers determine the skills people learn. Economists agree on subsidies during upskilling that directly target the working poor being better than a minimum wage. Furthermore, we have to ensure equal working conditions of the primary sector with high-skilled workers and the secondary sector with lower-skilled talents.

The best employment programme is a hot, competitive and forward-looking economy, such as ours in Singapore.

David Jacob
Chief Executive Officer
Marsh Asia
The pandemic has laid bare the many disparities in wage, healthcare, education, technology and economic prospects. Such disparities are exacerbated by an ageing workforce, skills obsolescence and non-communicable conditions. Against this backdrop, we need to look at worker compensation in a more holistic manner. Beyond wage supplements, companies can embrace inclusive health-care benefits, especially with medical costs in Asia outstripping the pace of inflation by 7.5 times. Automation makes workforce training even more essential to ensure that workers are up to speed with the current pace of digitalisation, which enhances their agility, productivity and competitiveness. This approach will create a favourable brand reputation and competitive advantage in the war for talent and enable a more equitable distribution of resources.

Ho Kai Weng
Chief Executive
General Insurance Association of Singapore (GIA)
Lower-wage workers' wages are still disproportionately low. The PWM is only for a few sectors and has moved slowly. There are far more jobs (3.6 million) than the resident workforce (2.3 million). Wages at the lower levels can and should adjust upwards, and the costs shared by the employers and customers, as is the case at the median and higher wage levels. A minimum wage will help us get there.

Chia Ngiang Hong
President
Real Estate Developers' Association of Singapore (REDAS)
The PWM specifies an income and skills ladder and is effectively a sectoral minimum wage model, premised on raising productivity and offering a career pathway where wages are pegged to training and productivity improvements, thus enabling workers to stay employed, enjoy upgrading and regular guaranteed wage increases. The government has plans to expand the PWMs to many more sectors. I do not think we need a minimum wage to complement the PWM as the model already incorporates that criterion, taking into consideration the prevailing market factors. Moreover, wage range among the various sectors are very varied, depending on the type of jobs, and it may cause misunderstanding among workers to demand a comparable minimum.

David Kuo
Co-founder
The Smart Investor
The PWM currently covers three sectors, helping to protect some of the most vulnerable in society. But we need to be careful when considering overlaying a minimum wage model onto a PWM. It could have unintended consequences. We need to consider that not everyone wants to work for a stipend. There are some in our society who would like to offer their services and also share their expertise for little or even no pay. That might not be possible under the constraints of a minimum wage. It might even be illegal. Ironically, these people are not taking jobs away from the lower-paid but could even be creating more better-paid jobs for more people.

Chia Tek Yew
Vice-Chairman, Singapore
Oliver Wyman
As a business leader, I would like to believe that the PWM, implemented on a sector basis, is a good economic option. Over time, if it is applied to all low-wage employees, we should then achieve a national minimum wage in any case. But this will take time and is dependent also on productivity gains.

As a human being, however, I believe that all of us should have the right to earn a "living wage", regardless of our capabilities/productivity or sector we work in. This essentially should be the responsibility of the state and in Singapore, this burden is shared with employers to ensure that all who work are paid an equitable wage. Where there is a gap, the PWM is now used to bridge that gap.

During this pandemic, it's obvious that many of our low-wage employees play a very important role in keeping the country clean, green and safe and deserve to be paid fairly and properly. It's time to consider implementing a minimum wage to supplement the PWM, with the government providing grants/tax incentives to help businesses transition. An equitable model for low-wage employees will see them earning a living wage now which can then be progressively increased with productivity gains over time.

Seamus Phan
Chief Content and Technology Officer
McGallen & Bolden
Unfortunately, the dialogue seems to focus on the wrong areas. Rather than looking at how low wages are, or what skills workers must learn, why not ask what are livable wages and what societal value a job brings? For example, Australia has an enlightened wage model of paying workers equitably. A typical street sweeper may earn A\$67,000 a year, while a bus driver may earn A\$60,000 a year. This ensures livable wages and social cohesiveness, comparing favourably with other vocations such as a secretary working in an office for A\$75,000 a year. Singapore needs to gear up for livable wages, rather than debating on minimal wages or re-skilling or "pivoting".

Lim Soon Hock
Managing Director
PLAN-B ICAG
A progressive and First World country cannot leave its low-wage workers behind. Inclusiveness is a good enough reason to move to a minimum wage model, taking precedence over the value of a job. For this to work, the 3Ps – public, private, and people sectors – must accept this reasonable trade-off, remain open, collaborate, and do not give up to find solutions to the problems which such a model would create. For example, the average wage level would rise, businesses may pass on the higher costs to consumers, who must be prepared to live with higher inflation.

The PWM must be an integral part of this larger national minimum wage scheme to ensure that everyone can upskill to earn fair, if not higher, wages. The issue of minimum wage is complex. Efforts to resolve it must be doubled down to ensure that our lower-wage workers are not left behind to the detriment of social cohesion and harmony.

Annie Yap
Executive Chairman and Founder
The AYP Group
The PWM would definitely be more effective if supplemented by a minimum wage. Firstly, firms have the responsibility of ensuring that their workers have a sufficient wage to live on. It is an important step in protecting workers from unduly low pay rates. A minimum wage could also help to stimulate the economy. Phasing in a minimum wage would boost consumer spending, and in turn, economic growth. This would be beneficial in helping the nation recover from both the public health and economic crisis at a faster pace. Not only would a minimum wage help ensurea basic standard of living for Singapore citizens, it would be beneficial to the economy as well.

Zaheer K Merchant
Director, Corporate Affairs
QI Group of Companies
Singapore has no "minimum wage" regulations except, since 2016, for cleaners, security guards and landscape workers. Considering Singapore's per capita GDP of around US\$60,000, it's slightly awry that we cannot wrap our minds around a minimum wage. The PWM does require "help" for real progress and inclusivity. Even one simple offset like a small tax benefit to entities hiring low-wage workers will ensure more even wage distribution. If we pride ourselves on impressive statistics while being effectively a First World country, we should at least be able to implement a minimum wage for the lower-income rungs in Singapore society.

David Leong
Managing Director
PeopleWorldwide Consulting Pte Ltd
Minimum wage has been a highly sensitive topic because it impacts overall costs, particularly labour cost. The minimum wage cannot be differentially applied as it'll cover both Singaporeans and foreigners alike. Differential and selective application of minimum wage can be seen as discriminatory.

The PWM is the most ideal as it is targeted and the government can expedite the process of creating multiple PWMs across industries. Singaporeans in those roles can be immediately uplifted and can benefit with career improvement through greater skills and professional upgrading. Best of all, it is not just a minimum wage. It is a career with prospect of a better future with a career ladder to climb.

Sujith Sivaram
Managing Director
ESCO
I am sceptical about the effectiveness of a minimum wage as a sustainable long-term measure to support our low-wage workers, as it might eventually result in higher costs that businesses would pass on to consumers. What low-wage workers need is support in meeting their basic needs with their earnings. In my opinion, our support measures should focus on helping them with basic needs by making available lower-cost alternatives for food, clothing, shelter, education, and health services. Such support measures would shield them from the stress of rising costs or economic uncertainty. We should review the current support measures and take steps to make effective changes, to ensure at least a basic standard of living for all. The PWM would continue to encourage the workers to upskill and upgrade their standards of living and we should also support these efforts more generously. Employers can be encouraged to provide additional support to their lower-wage workers through tax or other rebates.

Srihari Sikhakollu
Chief Executive Officer
eRemit Singapore
As the migrant community makes up the bulk of Singapore's lower-wage workers, it is important to acknowledge the difficult circumstances they face. They must constantly worry about making ends meet for their families back home while working in onerous manual labour jobs. Thus, implementing a minimum wage on top of the PWM would go a long way in reducing the weight on their shoulders.

Additionally, more can be done by the government and enterprises to enhance the living standards of lower-wage workers, by ensuring accessible healthcare and improving financial literacy for better money management.

BUSINESS

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Experts: Laws to tackle workplace discrimination cannot be too rigid

Rules can be enforced but not deter firms from setting up here or creating good jobs for locals

Calvin Yang
Manpower Correspondent

Laws to tackle workplace discrimination can better protect Singaporeans against errant employers who do not consider them fairly for job opportunities.

Yet legislation cannot be too rigid, labour observers told The Straits Times. If it is, there may be unintended consequences like deterring firms from setting up shop here and creating good jobs for locals.

This comes as a tripartite committee has been set up to examine policy options to boost efforts to tackle workplace discrimination.

The Tripartite Committee on Workplace Fairness will look into whether legislative protections should be pursued, and if so, the appropriate scope.

Sharing this in Parliament on July 26, Manpower Minister Tan See Leng said: "Legislation could give us more enforcement powers against errant employers beyond suspending work pass privileges, and confer better protection on employees who whistle-blow."

But laws alone do not determine better employment outcomes, noted Dr Tan.

Workplace discrimination – which comes in various forms such as based on nationality, race, age and gender – has received more attention over the past year, as the Covid-19 crisis continues to threaten livelihoods.

PeopleWorldwide Consulting managing director David Leong stressed that legislative protections must be based on evidence.

"Obvious biases and discriminatory acts must be established," he said. "Otherwise, this can be deemed a frightening witch hunt that can chase employers away."

Singapore Human Resources Institute president Low Peck Kem said: "While legislation may be seen as too blunt an instrument to be used, there are merits to reviewing and perhaps introducing new legislative measures if the progress towards fair employment practices is too slow or not getting traction."

Efforts to tackle various types of workplace discrimination here have been stepped up over the years.

Ms Linda Teo, country manager at ManpowerGroup Singapore, agreed that there is only so much that legislation can do. "In addition, it is critical to continue educating employers and employees on the importance of a diverse and inclusive workplace and encouraging them to be inclusive in their hiring and company policies."

Workplace discrimination can happen any time, during recruitment, performance appraisals or promotion, she added. Having a clear framework outlining what is considered discriminatory will help employers and employees to understand their rights.

"As much as we want to tackle workplace discrimination and protect employees, (the measures) need to safeguard employers' interests as well, to protect them from employees who may abuse the measures for personal gain," she said.

Experts believes unfair practices are more pronounced in countries with higher unemployment rates.

Some countries, such as Australia and the United States, have laws in place that prevent employers from asking personal details, such as age, ethnicity and disabilities, that can lead to discrimination, said Ms Teo. "The committee will need to determine what personal information is required for employers to assess a candidate's suitability for the job, and to what extent."

Observers highlighted the importance of staying open.

NeXT Career Consulting Group managing director Paul Heng said: "We must not lose sight of our dearth of natural resources, and will have to continue to count on people to drive our economy.

"We must also not kid ourselves that we do not need foreign talent."

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MERITS TO LEGISLATION

While legislation may be seen as too blunt an instrument to be used, there are merits to reviewing and perhaps introducing new legislative measures if the progress towards fair employment practices is too slow or not getting traction.

MS LOW PECK KEM, Singapore Human Resources Institute president.

Sandeep Bhargava
MD, Asia Pacific and Japan
Rackspace Technology
SINGAPORE continues to attract and develop world-class technology talent in numerous sectors to take on regional and international roles. Furthermore, our local regulatory bodies have taken the lead in spearheading the growth of technology while putting in place security measures for data protection and reducing the overall risk of cybersecurity threats. Governance and compliance policies such as the Monetary Authority of Singapore's technology risk management Guidelines and the Personal Data Protection Act (PDPA) are key examples that illustrate Singapore's position as a regional leader in technology and innovation.

Geoff Soon
Managing Director, South Asia
Snowflake
SINGAPORE'S well-defined regulations on technology will continue to create a secure and easily navigable environment that attracts organisations to operate here. Renowned for its implementation of leading technologies in various sectors such as finance, retail, and public sector, Singapore has, in recent years attracted significant investments globally. Moving forward, Singapore needs to further enhance its capabilities in deep tech such as artificial intelligence and data analytics to power future industry growth. Simultaneously, we need to invest significantly in upskilling and reskilling our talent to become globally competitive professionals.

Andrew Lim
VP, ASEAN and Greater China
Cognizant
THE Covid-19 pandemic has highlighted the transformative power of digital technologies, and its potential to help businesses recover more quickly and accelerate growth. Cognizant believes that the next phase of digitalisation will require organisations to continue leveraging emerging technology such as AI, and harnessing data to create actionable plans for business growth. This will also in turn promote operational efficiency and talent development, bringing Singapore closer to its goal of becoming a smart city and elevating the nation as an attractive market for foreign investment. Apac is already keeping pace with the rest of the world when it comes to the deployment of AI, indicating that the region has a strong foundation to continue building upon.

Sheena Chin
Managing Director of ASEAN
Cohesity
I AM a proud Singaporean, and National Day is an important opportunity to reflect and recognise the incredible growth of our nation. Leading that evolution is a technological revolution that has seen Singapore become the de facto business centre for the Asia-Pacific region. However, peel back this growth and digitisation, and behind all the layers, is data and its resilience. Data security and privacy are increasing threats and concerns for businesses and citizens alike. Ensuring that businesses and the country itself stay ahead as an economic force will mean consistently addressing the evolving challenge of managing data and utilising the latest technologies to do so.

Abel Ariza
President, Malaysia & Singapore
Sodexo
SINGAPORE'S next 10 years needs to be anchored by sustainable growth, to build resilience to natural and economic threats. Businesses can do so by examining their current models and supply chains and choosing more local, sustainable options in support of Singapore's "30 by 30" goal. Sodexo, as a global food services provider, recognises that we can also make significant impact on our carbon footprint by advocating for plant-based food options and reducing food waste through the use of our technological solution, WasteWatch. By choosing to do good business in a good way, we can do our part to safeguard Singapore's future.

Nick Lim
GM Asia Pacific and Japan
TIBCO
AS Singapore celebrates the many achievements of its 56 years, it also looks forward to becoming a truly smart city. Much has already been done to reach this goal, but the next phase is a connected community, linked by intelligent data from sensors with people, buildings, and vehicles communicating together to push the boundaries of artificial intelligence and machine learning technology, in both the virtual and physical worlds. Data analytics in a connected ecosystem produces intelligent insights, delivering superior, personalised government-citizen experiences, while ensuring Singapore remains a serious, competitive player in a more collaborative, data-driven global environment.

Glenn Gore
Chief Executive Officer
Affinidi
SINGAPORE has been an early adopter of technology ranging from the production of silicon chips to software development. Amidst Covid-19, digitalisation and the Internet have risen to the fore more than ever. As organisations and individuals unlock more opportunities with new technologies, they would require greater assurance and confidence to thrive in the digital economy.

In the next decade, I believe we can lead the world by building networks of trust in this connected world that enable portability of information in a privacy-preserving manner while enabling new business models through improved sharing of information. The next big thing has started here in Singapore, and as it continues to advance, we look forward to building a trusted digital ecosystem that drives innovation and will further strengthen the city-state's position as a strong international gateway for businesses.

Guna Chellappan
General Manager
Red Hat Singapore
MANY countries in Asean are thinking about a smart digitisation agenda, so it is less a question of whether digital transformation is the way forward – rather, it is about how, and which is the most effective way of doing so. Singapore is unique in Asean due to our technology hub status and highly international pool of talent. Open source has a key part to play in this, with the co-creation model allowing for greater collaboration in order to build smart cities with the interest of citizens and constituents at heart. Singapore securing a first place in the Smart City 2020 rankings speaks to this progress. Singapore can leverage its experience in open source to provide a blueprint for smart city development, and ultimately support Asean in becoming a more innovative and interconnected region.

Kumail Rashid
E-mobility Division Lead, Asia Pacific
ABB
LOOKING back, Singapore has undergone rapid changes from industrialisation to urbanisation and digitalisation. As the nation continues its mission towards becoming a "smarter city" in the next decade, we need to ask ourselves – how can we make net zero possible? Elevating pressures placed on our planet must be the way forward, where creating smarter and more sustainable solutions are a necessity. In the decade ahead, automation in smart buildings, smarter grid systems, and greener transport infrastructures will all be key to powering the energy transition. In our journey towards the "Energy Reset" pillar in Singapore's Green Plan 2030, it will be important to relook at how we can shift gears towards integrating EVs into our daily lives and continue facilitating energy planning to keep our city running efficiently and productively.

Willie Chang
Chief Executive Officer
Hg Exchange
AS Singapore approaches 56 years of nationhood, democratisation of financial markets is what we see ahead for our Little Red Dot. More than ever, people want access to more investment choices, and they want to invest safely, conveniently and cheaply.

Democratisation of financial markets leads to greater financial inclusion, with the market for capital becoming more accessible to businesses looking to raise money, investors, borrowers, lenders, and other interested parties. In Singapore, everything from mainstream investment products to alternative assets are easier than ever to access. This is the result of there being more marketplaces, better technology and clearer regulations. We want to remain at the forefront by enabling people to participate in an even more diverse range of investments.

Caecilia Chu
Co-Founder and CEO
YouTrip
CROSS-border payments have the potential to be a game-changer in the digital payments space. This will be driven by cross-border e-commerce, as users continue to spend with overseas retailers post-pandemic. Looking ahead, the eventual reopening of borders will also see visitors, who have embraced cashless technology, opting for the same multi-currency payment experience as they explore the world. To meet that demand, more fintechs are set to develop even faster, more reliable and affordable solutions. Encouraging the innovation of these payment services enables us to reap the full benefits of the borderless Internet economy, and puts Singapore in good stead as we travel and welcome travellers back to our shores again.

Leslie Choo
SVP, Managing Director, ASIA
ACI worldwide
THE next decade will be defined by the quest to recover from Covid-19 and its far-reaching impacts. With developing countries in Asean at risk of losing a generation's worth of progress, the biggest challenge will be ensuring equitable recovery. In the next ten years, Singapore can cement its place as a true world leader by striving for an equitable future, not just for its own citizens but also the wider region, through collaboration and knowledge sharing, technology enablement and innovation. This includes creating a robust digital ecosystem, a critical piece of which will be an interoperable pan-regional payments network that ensures that no individual or business is caught on the wrong side of the digital divide.

Arthur Fernandez
Chief Growth Officer
JCurve Solutions
Singapore is known to be well ahead in investing in cutting-edge innovations such as artificial intelligence, cybersecurity or 5G, but there is still much to be done. Continuing this strong trajectory of growth, the city-state can serve as an integrated business process hub, offering solutions that go beyond solving industry pain-points to embedding innovation into all aspects of the business. As leaders increasingly grasp the importance of embracing technology, there is still a lack in guidance or national support to bring businesses closer to the "next big thing". This culminates in a future-ready, disruption-resilient economy that can create value for decades to come.

Seck Wai-Kwong
Chief Executive Officer
Eastspring Investments
WITH increasing recognition of climate change as a global priority, Singapore is on the right trajectory to focus on the twin objectives of becoming a leading international hub for green finance and a more sustainable city-state to demonstrate the country's firm commitment to the climate agenda. Realising this vision will require industries, companies, and government stakeholders working in partnership to co-create solutions, develop a vibrant green finance ecosystem and drive progress towards achieving the sustainable development goals.

Alvin Ng
VP & GM, Digital Solutions, APAC
Johnson Controls
WITH Singapore well on track towards becoming a smart city, the country must now look to become a sustainable city by leveraging its most important resource – people. Collectively and individually, we have to reimagine and reinvent every sector. For example, in the built environment sector, energy specialists need to become sustainability specialists, facilities managers must be experience managers, while mechanical and electrical engineers evolve into data scientists as well.

This can be done through Public-Private-People partnerships to upskill, transform and inspire. With our talents engaged and energised, Singapore can continue to reinvent the city with sustainability as its North Star. This is the art of the possible.

Jeremy Deutsch
President, Asia-Pacific
Equinix
AS Singapore increasingly prioritises sustainability development, a digital infrastructure consisting of data centres and interconnection remains the backbone of a smart city. A huge focus for the country is to work with sustainable data-centre providers who not only support its technology innovation, but also its green agenda. Equinix is the first in the data-centre industry to commit to reaching global climate neutral by 2030, backed by science-based targets and a sustainability innovation agenda. Through concerted public and private sector efforts, we can make sustainable data centres the norm in Singapore, setting the city-state up to be a green data centre hub in Asia-Pacific.

Luc Hovhannessian
Managing Director, APAC
Finastra
SINGAPORE has become a competitive global hub for financial technology. This is great for Singapore's banking industry, but it also means the Red Dot can be a major driver of financial inclusion across Asia. Through fintech innovation, it is now possible and cost-effective for banks and non-bank players to extend digital financial services to underserved populations, which is particularly urgent in the wake of the pandemic. For instance, Tonik, a digital-only bank in the Philippines, is giving many people access to financial services for the first time. Tonik based itself in Singapore before launching, enabling it to benefit from a rich fintech ecosystem and work with companies such as Finastra. This is one example of many ways Singapore is making a difference across the region, showing that we have a real chance to redefine finance for good and secure a better future for all.

Joanne Wong
VP, International Markets
LogRhythm

THE next decade will see us reap the spoils of 5G, as we embrace a new era of connectivity and push the limits of how we engage online. We have made massive gains and laid the foundation for Singapore's long-term Smart Nation aspirations, and 5G will be decisive to move the needle – to push IoT transformation with driverless cars and smart manufacturing, and deepen AI capabilities.

5G is also key for Singapore to establish itself as a global innovation hub. We are already a testbed for smart solutions in the region, and must capitalise on our strengths to drive further transformation. But success in this space is contingent on how well we can safeguard our networks. Without a comprehensive and robust cybersecurity strategy to cover all bases, all our efforts might be for naught.

Tonny Loh
Partner
Heidrick & Struggles Singapore office
WE have accomplished so much in the last 56 years that few global firms today can bypass Singapore's status as a hub to tap on talent across SEA and Apac. The pandemic and a gradually bifurcating world have further highlighted our importance as a safe, reliable and neutral gateway to the region. Looking ahead, we are becoming a serious player in the global tech scene and have ambitions to play a big role in the global carbon economy, where huge social responsibilities and economic opportunities lie. Future business leaders should go beyond financial targets to define and articulate their firms' role and contributions to the larger ecosystem, including the environment and society. Singapore's continued success as an international hub will very much depend on our ability to continue producing leaders of the highest quality in the coming decade.

Andrew Yeong
VP and Head – Asia Pacific
Tata Communications
COVID-19 is one of mankind's toughest challenges in recent memory, but it's also an opportunity for Singapore, and businesses here, to reimagine their future with the real-world lessons in creativity, agility and resilience - all skills needed to propel the country forward in the next decade.

In the coming years, Singapore must continue to place itself at the centre of global business ecosystems, helping enterprises innovate, enhance productivity, build agility, manage risks and transform customer experience. Singapore has successfully leveraged technology to achieve all these things, and it can continue to do so.

Only then can the nation fulfil its mission of the next decade – to become the enabler of the recovery of the world's businesses post-pandemic.

Charles H Ferguson
General Manager, Asia Pacific
Globalization Partners
OUR Little Red Dot has become a global role model for environmental responsibility by increasing its solar and renewable power capacity, greening its tech sector, and pioneering sustainable technologies and policies. In doing so, it will attract more startups and ground-breaking new industries for whom this is a major priority. As a global hub for talent, fintech, and all things intelligence and innovation, Singapore presents the perfect ecosystem for the emergence of "the next big thing". With the increasing adoption of E-residencies and tech visas along with a captive audience of investors, innovators, entrepreneurs, and talent, Singapore will grow as the gateway to Asia and the world's largest economies. Imagining the next ten years here is exhilarating; we are literally creating the future.

Melanie Cook
Managing Director - Asia Pacific
Hyper Island
WHAT does a largely automated workplace mean for us, especially to our productivity and to our identity as a nation? As we speed towards unfettered growth, without a doubt, we will employ more technology to automate actions and make decisions. Decisions and actions that humans used to take.

We need to start designing a nation now for a world where our identities go beyond the job we do. One where we have a creative outlet to make and create a future for machines to automate. One where play is central to life and problem solving is a paid way of life in which people stay spiritually and mentally complete.

This "job-less" world will go across the board from blue-collar to white-collar workers as technology is colour blind. The only way we can take hold of this is through education. Educators and society have to figure out how we lead this change in hearts and minds, ironically using technology.

Ivy Lai
Country Manager
Philips Singapore
WHILE Singapore's healthcare system has coped well with the pandemic so far, further investment in digitising healthcare is going to be critical in the decade ahead. To stay competitive on the global stage, it is important that Singapore shifts from volume-based models of care, where hospitals are reimbursed based on the number of procedures completed, to value-based care, which is more outcome-focused. Investing in telehealth, artificial intelligence and predictive technology will help hospitals to drive efficiencies and a more patient-centered approach, from which everyone stands to benefit.

Adam A Lyle
Executive Chairman
Padang & Co
SINGAPORE has become a startup nation in recent years, and it is now poised for the scale-up phase like the many startups it has nurtured over the past decade. The scale-up process will be both global and virtual.

A global hub for trade and manufacturing, particularly after achieving nationhood, Singapore has excelled in the "physical". In the digital era, Singapore has emerged as a Smart Nation at home, whilst leading digital connectivity initiatives across the region. Now, the country is positioning itself as a global sustainability hub to drive the green economy.

What's next is beyond digital – a "virtual Singapore". Building on Brand Singapore's reputation for trust, efficiency and sustainability, the virtual Singapore ecosystem will enable Singapore to extend its presence and influence throughout the world in ways not previously imaginable. Paraphrasing the recent *Emerging Stronger Together* report, a virtual Singapore is indeed "Unlimited". Happy Birthday!

Anna Stephenson
Managing Director
Inflection Point Intelligence
SINGAPORE'S journey to becoming a wealth and family office destination has been amazing. With the increase in generational wealth across Asia, this sector will play a vital part in Singapore's economy. However, the current supply of talent does not meet global demand. This represents a chance for Singapore to invest in training its well-educated population to take advantage of this opportunity. The shift in the rise of wealth in Asia and the need for experienced professionals has enabled us to challenge how financial education is offered, through offering training that is practical, industry-led and complements Singapore's smart-city era.

Mark Weaser
Vice President, APAC
OutSystems
AS businesses undergo rapid digital transformation over the past year, the exigency to modernise has never been quite this clear. In this new digital-first environment, innovation and growth are the two key ingredients to survival and success, which can be inhibited by outdated infrastructure and legacy systems.

Furthermore, the pandemic has opened doors to creative and novel ways of using technology to solve modern problems – demand for applications, and the range of functions they service, will only increase from here on out. With digitalisation introducing global competitors to the joust, it is imperative for businesses here to relook at their IT systems and turn to modern development tools that allow them to build applications quickly, efficiently and to the differentiation they need to carve a seat for themselves at the table.

Jayaprakash Jagateesan
Chief Executive Officer
RHT AlDigi Financial Holdings
DIGITAL assets will be Singapore's next big thing for the decade ahead. With our trusted reputation as a global finance hub and the Monetary Authority of Singapore's forward-looking policies and regulations, Singapore can build on its traditional finance expertise to open new possibilities. Investing and fundraising with digital assets does not seek to replace existing traditional financial services but aims to deliver an alternative platform with greater efficiency and the same level of safeguards we expect of any financial institution. An ecosystem of homegrown service providers are gearing up for growth in this space, combining local talent and technology to lead Singapore in the global digital asset space.

David Leong
Managing Director
PeopleWorldwide Consulting Pte Ltd
SINGAPORE must move beyond being just a hyper-connected smart city. It must not just rely on low taxes to attract MNCs and the wealth of foreigners. Singapore needs to be positioned as a stable and safe country – as an oasis in a very troubled region.

The "next-big-thing" for Singapore is to provide residency to large companies and residents and to capture the flow of wealth to a safe and stable hub. Singapore's land area includes as many as 64 offshore islands. The government should build exclusive sustainable living enclaves on these islands, pivoting on renewable energy infrastructure. Such developments will put Singapore's sustainability luxe-living masterplan at a different level and probably will be Asia's first. It will go beyond being just one of many smart cities and be an aggregation of the best, the wealthiest and the most talented in a safe oasis.

When the best of the most talented and wealthiest individuals gather with their companies and family offices in Singapore, there will be many positive spin-offs and spillover effects for Singapore and Singaporeans.

Lim Jui
Chief Executive Officer
SGInnovate
WHETHER it is the steam engine, the Internet, or new mRNA therapies, only research, innovation, and enterprise, in equal measure, can create new vistas of growth and societal impact. Many emerging technologies have the potential to create completely new industries, while simultaneously transforming existing ones. Their commercialisation must form a cornerstone of economic policy in order to create high-value career pathways for Singaporeans and reinforce our global position as an epicentre of innovation.

In the decade to come, this realisation of the promise of Deep Tech will be our "next big thing", and only by investing holistically and systematically in this critical component of the economy will we be able to achieve this.

We received more than 120 responses; these are among the earlier comments that addressed the topic. The full list of views from CEOs is available at http://businesstimes.com.sg

Staff at work at Swee Choon Tim Sum Restaurant's Jalan Besar outlet. In order to survive amid Covid-19 restrictions, the 59-year-old restaurant worked with e-commerce platforms to reach more customers and focused its efforts on digitalising the business, including introducing technology in back-end processes. It also ventured into selling frozen versions of its dishes. ST PHOTO: GIN TAY

Change on the menu as eateries cope with Covid-19

SimplyFed owner Lynette Goh at the delivery-only restaurant's central kitchen in Gambas Crescent. A delivery business can have a larger kitchen and staging area with access to pick-up points, she says. ST PHOTO: ALPHONSUS CHERN

They are reinventing themselves, turning to cloud kitchens as food delivery demand rises

Calvin Yang
Manpower Correspondent

No dine-ins. No takeaways.

This fusion restaurant does not have any bricks-and-mortar outlet and exists only virtually. But business has grown steadily since it started in January.

At delivery-only restaurant SimplyFed's central kitchen in Gambas Crescent, a team of six kitchen and operations staff prepare meals, come up with new menus and assist customers with their requests.

The so-called ghost or cloud kitchens – which prepare food only for delivery – are just one way some restaurants here are getting ready for the new normal, observers and operators told The Straits Times.

This comes as the demand for food delivery has risen, spurred by Covid-19 social gathering limits.

Over the past year, Singapore's restaurant scene has been through a roller-coaster ride. Ever-evolving dining curbs – from dine-in bans to group size limits to safe distancing constraints – have piled the pressure on many eateries, already grappling with longstanding rental and labour woes.

SimplyFed's director, Mrs Lynette Goh, said: "A delivery business is able to have a larger kitchen and staging area with access to pick-up points, whereas physical restaurants are limited by the specific number of seats and the revenue per seat."

The 39-year-old, whose company will move to a larger kitchen later this year, is not the only one who feels that way.

Some restaurants could dissolve their dine-in services altogether, or open express outlets that allow pick-ups and require fewer staff, industry experts said. Others are rethinking locations in the Central Business District, as working from home becomes the norm.

"Hybrids of sorts are likely to emerge," said PeopleWorldwide Consulting managing director David Leong, adding that Covid-19 has led more people to embrace the convenience of ordering food online.

"Unless restaurants configure operations to cater to food delivery, they are unlikely to survive. Relying on dine-in and turn of tables cannot be the way forward for food service operators."

Unable to operate at full capacity, many food and beverage (F&B) outlets are struggling as their revenue per square metre falls. This is more so for restaurants that depended heavily on dine-in patrons before Covid-19 hit.

Mr Timothy Chan, managing director of F&B consultancy Timbens Food Concepts, stressed: "Most F&B businesses rely heavily on volume to be profitable. With such restrictions or closures, the volume will be heavily impacted."

Already, stricter curbs have killed some eateries, including decades-old establishments. Familiar names that recently closed include Swee Kee Eating House, an Amoy Street Cantonese eatery dating back to 1939, and The Rice Table, an Indonesian restaurant in Orchard Road which opened in 1997.

It is important for eateries to innovate and reinvent themselves, said Mr Edwin Phua, managing director of F&B project management firm Chef At Work.

One eatery that has done so is Swee Choon Tim Sum Restaurant.

To tide itself over the challenging period, the 59-year-old restaurant worked with e-commerce platforms to reach more customers and focused its efforts on digitalising the business, including introducing technology in back-end processes – from procurement to human resources. It also ventured into selling frozen versions of its dishes.

It plans to open more cloud kitchens next year, after starting its first in Tampines last November. It will also set up express outlets in the heartland, so that it is closer to customers, said third-generation owner Ernest Ting, 30.

When Singapore entered the circuit breaker in April last year, Swee Choon – which often had steady queues outside its Jalan Besar outlet – saw its sales fall by at least 30 per cent. "We couldn't sit around and hope for things to go back to normal. In order to survive, we had to pivot quickly," Mr Ting said.

Food delivery sales contribute about 30 per cent of the monthly revenue even as dining in has resumed.

However, profits took a big hit due to commission fees and logistical costs. Offering delivery was not smooth sailing either.

"We had to manage logistical challenges, handling delivery delays and hungry customers waiting for their food to be delivered," Mr Ting added. "We also had to ensure accuracy in packaging orders."

The past year has been "frustrating" as the eatery could not operate at full capacity. "A restriction in seating capacity means less table turns, which translates to a fall in profit," he said.

But not all restaurants will jump on the delivery bandwagon so readily.

PeopleWorldwide Consulting's Dr Leong highlighted concerns that the costs of joining food delivery platforms would eat into profit margins. The commission is about 30 per cent.

Moreover, competition in the online space is extremely keen, because of the low barriers to entry, said SimplyFed's Mrs Goh.

Existing food entrepreneurs would diversify into virtual brands to make up for the shortfall in events catering and cover their fixed costs. "As a result, this has forced us to keep our margins thin and push for volume."

The Restaurant Association of Singapore said F&B establishments come and go. "It will likely be the ones that are quickest to adapt to changing consumer preferences and the volatile post-Covid-19 environment that will emerge the strongest," it added.

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F&B outlets struggle to hire despite offering higher pay

Food and beverage establishments here continue to struggle with manpower shortages, despite offering higher pay.

Many outlets are understaffed by 20 per cent to 30 per cent, said the Restaurant Association of Singapore (RAS), which has more than 500 members, including restaurants, caterers and fast-food chains.

"Many F&B brands have also commented that even after increasing salaries of their service crew by 25 per cent to 30 per cent, they continue to face difficulty in hiring," RAS said.

Tightened border controls over the past year due to the pandemic have limited the number of foreigners entering Singapore, exacerbating the situation.

Service-sector businesses, including F&B establishments, also have to grapple with the lowering of the ratio of foreign workers they can employ to 35 per cent this year, from 38 per cent last year.

Unfortunately, many Singaporeans think twice before taking up F&B jobs because of the long hours and physical demands, said NeXT Career Consulting Group managing director Paul Heng.

To cope with fewer workers, some restaurants are contemplating smaller formats like counter seating, while others are opening express outlets that reduce the need for wait staff.

Automation and self-help services, including order-taking on the mobile phone, are also becoming widely adopted by restaurants, said PeopleWorldwide Consulting managing director David Leong.

Dr Leong said filling positions in F&B businesses is a perennial problem, and "even pay increments may not move the needle" when it comes to hiring Singaporeans.

The coronavirus situation has forced Swee Choon Tim Sum Restaurant to reinvent its business.

"Manpower has always been the biggest problem in the F&B industry," said its owner, Mr Ernest Ting, 30.

"We would like to try operating on a smaller scale – smaller space, less manpower – to drive revenue."

Besides introducing technology in back-end processes, the popular eatery is also planning new express outlets and cloud kitchens.

Meanwhile, Lai Wah Restaurant in Bendemeer sent its long-time workers for courses in information technology and English last year to meet the demands of the business.

The new skills came in useful when handling more food deliveries amid the pandemic, as the Cantonese restaurant went on more food delivery platforms, said Dr Wong Choo Wai, 50, a general practitioner and its third-generation owner.

However, the 58-year-old restaurant, which was packed with customers in its heyday, has been contemplating closure, partly due to operational constraints.

Lai Wah has not retrenched any of its 20-odd workers despite being barely able to keep running. Most of the staff have been with the restaurant for decades.

"We treat them as family and take care of them, as they have their own families to look after too," said Dr Wong.

"It's easy to say, 'go for reskilling', but it is always challenging to learn new skills, languages and approaches, and it gets harder with age. We empathise with them."

He feels that it would be a pity to close after decades in the business.

"This was started by my granddad. We uphold the promise to bring authentic, good Cantonese food to the masses by keeping our prices reasonable and authentic," he added. "To me, this is not just about food but also our colourful history and culture."

Calvin Yang

Restaurants rethink locations in CBD as work from home becomes norm

Old-school Cantonese eatery Swee Kee Eating House in the Central Business District (CBD) suffered monthly losses of about $30,000 for almost a year before it decided to shut its doors.

The 82-year-old restaurant in Amoy Street, known for dishes such as fish-head beehoon, served its last customer on May 30, even though its lease was supposed to be up only in the last quarter of the year.

The last straw was the phase two (heightened alert), when dining in was banned from May 16, said its third-generation owner Cedric Tang, 36. Daily yields were a mere $200 or so.

Work-from-home once again becoming the default was the nail in the coffin for the family-run legacy restaurant which, like many restaurants in the area, relied heavily on business from the office crowd.

Desperately trying to avoid the same fate, some food and beverage establishments are rethinking locations in the CBD and Orchard Road district, observers told The Straits Times.

Eateries in such areas wrestle with high rent, but are unable to operate at their maximum capacity because of safe management limits and the disappearance of the usual crowd.

"For casual Asian restaurants, we usually need large groups of five and more to generate revenue... as they would order larger portions and more dishes," said Mr Tang.

His family had been contemplating the restaurant's closure for several months, he added.

It only makes business sense to pack as many people in a space as possible to maximise the revenue per square foot, Mr Tang added, but this is impossible in the current climate.

The rental for a space of 167 sq m in Amoy Street is at least $20,000 a month.

Even though dining in resumed on June 21, the Restaurant Association of Singapore said the current revenue levels from the limited dine-ins are unable to cover operational costs such as rent.

Mr K.F. Seetoh, founder of food guide Makansutra, said that with work-from-home arrangements becoming a way of life, many restaurants will not want to risk being in a location catering to the office crowd.

"I think there will be more outlets – flagship or express ones – in the heartland in future and it will be very competitive," he added.

Dr Tan Khee Giap of the Lee Kuan Yew School of Public Policy said Covid-19 restrictions such as dine-in bans have "artificially choked off demand".

Cutting shop spaces and moving to new venues is no simple matter, but staying put in the CBD or a tourist spot "would mean folding up of businesses eventually and job losses", he added.

Food delivery does not hold much promise for restaurants located in the CBD, due to the limited radius, said F&B players. Islandwide delivery is also too costly for customers, Mr Tang added.

Fine-dining restaurants have been hardest hit, noted Mr Timothy Chan, managing director of F&B consultancy Timbens Food Concepts. "You will not be able to get that same experience when the food is delivered to your home."

For now, Swee Kee's staff – most of whom have worked there for more than 10 years – have been redeployed to the two Ka-Soh outlets that Mr Tang also owns.

Many long-time patrons felt it was a waste to close, as they had fond memories of the eatery, said Mr Tang. "I do not think we'll see Swee Kee Eating House in the near future," he added. "It will just have to live in our memories."

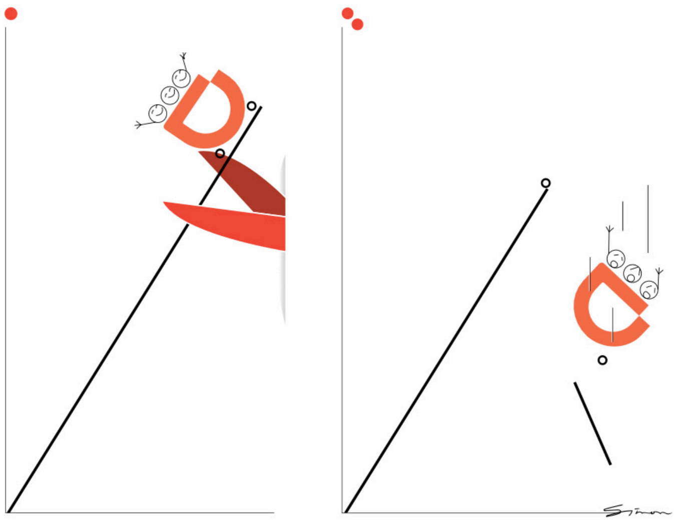
Calvin Yang

Mr Cedric Tang (left) helping out in the kitchen of his restaurant Ka-Soh in Greenwood Avenue. With Swee Kee Eating House in the CBD closed, its staff have been redeployed to the Ka-Soh outlets. ST PHOTO: CHONG JUN LIANG

THIS WEEK'S TOPIC

How do you see the impact of China's tech crackdown?

Trimming risks, or overreach?



BT ILLUSTRATION: SIMON ANG

Victor Mills
Chief Executive
Singapore International Chamber of Commerce

There are a number of agendas at work in China's crackdown on tech companies. The first is a clear desire to regulate and to make sure they do not get so big as to constitute a systemic risk to the economy or undermine national security. It is not just the United States government that is focused on national security and uses it as a reason to act. However, arguably the most important agenda behind the Chinese government's action is to maintain the supremacy of the party in all things and ensure its leading role is not threatened or undermined by fast-growing tech companies.

John Bittleston
Founder and Chair
Terrific Mentors International Pte Ltd

There is much debate about authoritarianism and democracy as though the choice was one or the other. As Singapore has more than ably demonstrated, there are several degrees of both, neither extreme having proved to be conclusively the better. Since societies are dynamic, developing at different speeds at different times, a good government looks at how society is changing, maturing or regressing very carefully. China's tech crackdown appears to be an issue of control, possibly of perceived challenge to the present political powers. If that is correct, we expect to see more and, if we do, it will signal uncertainty and insecurity among the most powerful.

Lawrence Loh
Director, Centre for Governance and Sustainability
NUS Business School

China's ongoing regularisation of tech firms must be seen in the broader context of a complex interplay of economic and social factors. But the most fundamental concern is that businesses, fuelled by recent information technology advancements, have become much too pervasive in their influence. This phenomenon has also been witnessed in North America and Western Europe. It is now critical to forge a new order in the tripartite interfaces of business, economy and society. Like in other fields such as medicine and physics, it is important that business fosters a responsible path of development. This will be crucially undergirded by good governance and sustainability at the company, national and supranational levels.

Agnes Cai
Chief Executive Officer
Foord Asset Management

Chinese regulators have historically taken a hands-off regulatory approach before later setting boundaries, which gave corporations freedom to grow and become leaders in their fields. This resulted in an explosion of innovation in the Chinese tech space, led by Tencent and Alibaba. The latest regulatory interventions now aim to protect consumers and create opportunities for smaller businesses to compete. While the crackdown constrains hyper-aggressive behaviour, the immature regulatory framework never prevented innovative new companies from emerging, like those in the e-commerce, social media and travel space such as Pinduoduo, ByteDance and Meituan. Competition has been, and will remain, intense in the fast-moving Chinese technology landscape despite the regulatory blitz.

Jeffery Tan
Group General Counsel and Chief Sustainability Officer
Jardine Cycle & Carriage

Size and scale allow successful commercial entities to grow into behemoths that can have an outsized economic stature and influence on society. In the case of tech companies, they have the added dimension of direct connection and touch points with individuals in the population, allowing them to interact intimately – determining trends, collecting and mining valuable personal data. These are all characteristics that pose a challenge and potential rivalry to the state, often without accountability or the requisite oversight in the way products, services and data are utilised.

In essence, what the Chinese administration is seeking to do with their tech companies is to impose a governance structure. In many ways, it is no different from what the European Union is seeking to do in the regulation of Big Tech, and should probably be welcomed as a sensible counter balance.

Dileep Nair
Independent Director
Thakral Corporation Limited

Power and control, rather than consumer protection, are the likely drivers of China's tech crackdown. No doubt the monopolistic behavior of the tech giants has been publicly criticised, but it is more their collection of enormous amounts of data and the powerful artificial intelligence (AI) tools they have built for social control, that have been the real concern of the Chinese authorities. The high profile of the billionaire CEOs of these companies also sits uncomfortably at a time when wealth inequality is a growing social issue. However, coming down hard on these tech firms will dampen incentives for future tech entrepreneurs. It may even kill innovation and affect overall economic growth. China needs to find the right balance between control and flexibility in its regulatory landscape if it wishes to succeed as a tech superpower.

Sanjeev Kumar
Senior Country Manager for Singapore and Head of S-E & South Asia
Natixis

Recent years have seen China's digital economy expand at an explosive rate, but largely unregulated. Having been highlighted as a key component of its 14th five-year plan, it stands to reason that increased scrutiny and regulation of the ecosystem would follow, and that will undoubtedly have a (sometimes material) impact on companies operating in the space. The digital economy stands to be a significant driver of growth for the foreseeable future and now that it accounts for a significant share of the country's gross domestic product (38.6 per cent in 2020), focus rightly needs to be on how these companies operate, on monopolies in the market, fair competition, and data protection. Regardless of the intention of these stricter controls, they will ultimately help to protect consumer interests.

Toby Koh
Group MD
Ademco Security Group

The crackdown on Chinese tech companies is validation of the Chinese government's determination to rein in tech giants who may not play by the rules, gain unfair market advantage or threaten national security with the huge amount of personal data they collect. It is commendable that the authorities have the will and fortitude to act swiftly as needed. Ironically, it may mean a safer Internet environment in China for law-abiding netizens as compared to other countries. Shareholders of Chinese tech giants will undoubtedly price in their perceived risk accordingly.

Chia Ngiang Hong
President
Real Estate Developers' Association of Singapore (REDAS)

Approaches are being taken across the globe. Unchecked concentration of power in "digital monopolies" can have negative impacts on businesses and societies. Undue influences like unfair data practices, content and media control and misuse of market power can harm public and consumer interests and stifle competition and innovation. There are also possible concerns over public and national security issues. I believe China's actions are likely premised on these concerns. As such, any impact will likely be measured and short-term. Having a regulatory regime with clearly defined objectives and rules of engagement can help ensure a more orderly and sustainable growth of the tech sector in the longer term.

Vadim Berman
Chief Executive Officer
Tisane Labs

Clearly, it's not the case that they suddenly found irregularities in all these companies.

As a tech CEO and someone with roots in the former USSR, I can't help but notice the parallels with the uneasy relationships between the tech sector and the government in Russia. The founders of VK found themselves at odds with Vladimir Putin; Yuri Milner "moved on" from Russia; Yandex is in the crosshairs. The explanation is simple: Big Tech has become too powerful for its own good. And it's exactly the same in China, with the difference being that the Chinese government invested much more money in the Chinese Big Tech.

What did they expect with all the resources pumped into social media? Social media is an amplifier for the masses, so it can only give them that much control.

Mario Singh
Chief Executive Officer
Fullerton Markets

It really depends on what the crackdowns are focused on. There are two aspects to the clampdown. On one hand, the tech companies have been fined or reprimanded for violating censorship, regulatory and data protection rules. This is good. On the other hand, the fines were also due to anti-monopoly laws to tighten control over their industries. This is the part that I disagree with.

The global economy is already well into the fourth industrial revolution, with AI, the Internet of Things, robotics, blockchain, et cetera, on the rise. The collective force of these industries will continue to produce many products and services that will become indispensable in modern life.

If the crackdown is driven by the need to tighten control over monopolistic practices, it will run counter to the drive for innovation and discourage brilliant entrepreneurs from democratising the markets. That would put us down the path of regression instead of progression.

Maren Schweizer
Chief executive
Schweizer World Group

The road ahead will remain dynamic. An influential Chinese government will undoubtedly continue to be an essential factor in shaping the strategies of most Chinese companies, not just technology-driven start-ups.

A key differentiator of companies has been the focus on global growth and markets from the start when peers chose to concentrate on their sizeable domestic market first.

Moving out of China and beyond familiar territories has also meant navigating new challenges abroad – in addition to balancing a growing Chinese government at home.

Due to these challenges and its rapid growth, the historically intertwined South-east Asian region has become a preferred destination for many of these companies' expansion strategies.

Michael Blake
Head of Region and CEO, Asia
Union Bancaire Privee

Although the Chinese economy peaked in the first quarter, we expect it to exceed the growth target set for 2021, thanks in part to a strong base effect.

The authorities are using this tailwind to progress ongoing regulatory reforms. Policy reviews are possible across several sectors employing technology and big data – from education to e-entertainment. Valuations could experience pressures on any near-term earnings downgrades.

However, China's economic momentum depends on its ability to pivot towards sustainable, consumption-oriented growth. Technology firms will remain an important enabler of this transformation. Long-term, their role in China's economic growth story will be undiminished.

Lim Soon Hock
Managing Director
PLAN-B ICAG

Unless a company, be it local or foreign, is in the league of Alibaba, Ant Group, Tencent, ByteDance, Didi, et cetera, the impact of China's tech crackdown is likely to be immaterial or minimal, in the immediate term. These companies are under the microscope because of their presence in the United States, due to national security concerns.

However, if a company chooses to do business in China, it cannot avoid complying with the local laws being imposed by the Cyberspace Administration of China regarding the collection, use and protection of personal data, as well as other compliance in relation to antitrust and anti-monopolistic practices. This means investing in a robust system of compliance that can withstand the official audits. As significant costs are likely to be incurred, companies will have to decide from a risk and reward basis, whether it is worth investing and doing business in a large market like China, at least for the foreseeable future.

Chia Tek Yew
Vice-Chairman of Singapore
Oliver Wyman

I see both positives and negatives in China's tech crackdown. On the one hand, before China's tech companies can be welcomed by other countries as global leaders, they will need to first earn trust on the global stage. This will come from being subject to stronger and more transparent regulations in their home country and it is therefore timely for regulators to step up now to ensure that these tech giants operate in a fair and ethical manner for their customers and business partners, especially in data management and fair competition. To start with, looking at companies listed or planning to be listed in the US is appropriate as these are likely to be the companies with global aspirations. As these companies will then be subject to a foreign capital market regulator, there is also a potential exposure for China's regulatory reputation if any of the firms fall short of the requisite global standards expected by these foreign regulators.

On the other hand, if the crackdowns are solely for national security purposes or to discourage listings in the US, then there is a risk that this will drive a further de-coupling of the US-China economies when what's needed at this stage of our world economy is more cooperation and collaboration to build back a better world.

Hopefully, once the long overdue regulatory reviews are completed, the Chinese titans will emerge even stronger and be true global giants and brands like their Asian counterparts such as Japan's Sony or Korea's Samsung Electronics.

Zaheer K Merchant
Regional Director, Singapore & Europe
QI Group of Companies

I would try to understand the rationale behind China's crackdown. The broad reasoning – other than ensuring state control, antitrust policies and overhauling practices of tech entities – is data security risks and national security. If we add to the mix the fact that these tech entities are listed in the US and the ongoing tensions between the two countries on various fronts, it's possible to see some logic in what is occurring. The key impact: Will there be reduced listings in the US, given such restrictive consequences? Is Chinese data to be guardedly kept in China? Will revenues of China tech be impacted? Is the message to list in Shanghai or Hong Kong where dominion is exercised? Only patience will reveal, which China has an abundance of.

David Leong
Managing Director
PeopleWorldwide Consulting

China's tech crackdown is really about managing the immense power accrued by these super apps that connect people with so many conveniences that they have become almost indispensable and are taken-for-granted features in everyday lives. This harsh and forceful enforcement is a clip on these tech firms' wings, particularly when these firms choose to fly to list their companies in US. The simmering tension between the US and China does not help the cause where national security for both countries is a major concern.

The Chinese government is reducing these tech firms' sphere of influence, to keep them in its orbit of control and to gravitate them back to China. These tech firms should recognise where is the centre – and surely that centre is not in America. These firms cannot grow too big to overrule the influence of the Chinese central government.

Henry Tan
Managing Director
Nexia TS

This is quite a clear signal and the elephant in the room is the US-China trade dispute. As long as the tensions remain, both sides will have these little skirmishes to outdo or inconvenience one another. Little does the government realise that it is affecting their businesses and businessmen. Chinese businesses, whether or not in tech, will have to decide if they want to get foreign capital, foreign investors and shareholders and become an international company, or if they would remain a Chinese company that goes global. The two options are supposed to be the same business-wise but unfortunately with the trade tensions, it is not the same anymore.

MAS ANNUAL REPORT

Property market not overheated, but MAS says it will track prices

Central bank chief says it's a 'big problem' that low interest rates have channelled money into stocks, real estate

By Vivien Shiao and Lisa Kriwangko
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Singapore

THE Monetary Authority of Singapore (MAS) remains "highly vigilant" to the risk of a sustained increase in housing prices relative to income trends, with a prolonged divergence seen as unsustainable, Monetary Authority of Singapore (MAS) managing director Ravi Menon has said.

In his opening remarks at the launch of the MAS annual report, he noted that the property market has been "remarkably resilient" in the face of the pandemic. The residential property price index rose by 1.6 per cent in 2020, even as nominal gross domestic product (GDP) contracted 8.2 per cent.

As at the first quarter of 2021, the property price index was 5.6 per cent above its pre-pandemic levels, while nominal GDP was about 4 per cent below, he noted.

When asked by the media, Mr Menon said that the property market is not considered overheated at this juncture. "We will never tell in advance whether we would implement (property cooling) measures because that defeats the purpose of implementing the measures," he said.

"We hope the market will continue to remain stable and that we don't have to make any moves.

"But we have said many times that we are just as determined to make sure that the market remains stable, and prevent overheating from happening."

On whether there is a possibility of an asset bubble being formed on the back of flush global liquidity, he said that this is a "big issue" for central banks and regulators around the world.

With central banks adopting very highly accommodative monetary policies such as low interest rates, a good part of this liquidity has gone into financial asset markets and real estate markets.

"This is a big problem," he noted.

That being said, Singapore has a comprehensive set of macroprudential policy tools to keep the property market here from over-inflating, and this has resulted in relative stability in the market in the past five years, said Mr Menon.

He added that this is something that the MAS will continue to watch closely.

In response, Christine Sun, senior vice-president of research and analytics at OrangeTee & Tie, noted that while rumours of cooling measures might have introduced panic buying, Mr Menon's earlier statement could help to stabilise the market "by providing more clarity and certainty".

"It appears that the probability of property curbs being implemented in the near future may not be high since they do not deem the market to be overheated," she said.

Lee Nai Jia, deputy director of the Institute of Real Estate and Urban Studies (IREUS) at the National University of Singapore, added that the possibility of a market correction "should not be ruled out".

"US economists are anticipating that the Fed rate will be raised, even as early as 2022, which will in turn trigger other central banks to raise lending rates. The increased cost of credit may flatten the uptrend on home prices," he said.

However, if property cooling policies are enacted, he anticipates the measures to be "highly targeted rather than broad and sweeping".

"Regulations may, for example, target joint-owners who, in a bid to avoid additional buyer's stamp duty (ABSD), are decoupling to purchase an additional property, and may as a result, overextend themselves," noted Dr Lee.

In Q1 2021, private home prices rose 3.3 per cent quarter on quarter, steeper than the 2.1 per cent growth in Q4 2020, going by URA figures. This was the fourth consecutive quarter-on-quarter rise. PHOTO: REUTERS

Sing Tien Foo, director of IREUS, added that it is important for the government to monitor foreign flow of capital, especially into the luxury segment, as it could generate spillover effects into the mass market and HDB resale market. He believes potential cooling measures could reduce the current loan-to-value ratios or increase the ABSD.

"A more stringent measure will be to restrict the demand from foreign buyers, such as barring more than one purchase in private property in the local market," he said.

That said, Ms Sun added that cooling measures can only help to slow down the pace of price increase temporarily, as prices of homes could continue to rise if demand is persistent, especially in suburban areas.

She noted: "The authorities may want to consider releasing more land parcels, especially in the suburban regions, to better address the supply-demand imbalance that is facing the market now."

In Q1 2021, private home prices rose 3.3 per cent quarter on quarter, steeper than the 2.1 per cent growth in Q4 2020, say Urban Redevelopment Authority (URA) figures.

This was the fourth consecutive quarter-on-quarter rise. The flash estimates for Q2 2021 private home sales will be released on July 1.

In public housing, HDB resale prices rose 1.2 per cent in May 2021 from the previous month, making it the 11th straight month of price growth, says flash data from real estate portal SRX Property.

Year on year, the overall price increase for HDB resale flats grew 12 per cent in May, although it remained 2.6 per cent lower than the peak in April 2013.

☛ US home prices rose in April at fastest pace in 15 years: survey, Page 13

Virus mutations, sharp pick-up in US inflation could drag down economic recovery: MAS

By Vivien Shiao
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Singapore

A FIRMER global recovery is on the cards in the second half of 2021 with the world's two largest economies – the United States and China – witnessing strong rebounds, but downside risks remain significant, said a top executive from the Monetary Authority of Singapore (MAS).

Potential drags include the emergence of more infectious or lethal virus mutations, as well as a sharp pick-up in inflation in the US, said MAS' managing director Ravi Menon at the launch of the annual report on Wednesday.

On inflation, in particular, the Fed could withdraw policy accommodation sooner than expected, which could lead to markets reacting by driving up long-term interest rates.

"The premature tightening of financial conditions could then trigger increased volatility in financial markets, especially in economies that have yet to emerge from the pandemic and those with higher fiscal or external funding needs," he noted.

As for Singapore, it should see a recovery in the second half of this year, alongside strengthening global demand and further progress in its vaccination programme, said Mr Menon.

The recent tightening of domestic restrictions and border controls will cause a near-term setback to segments that make up about 8 per cent of the economy, but the impact will be significantly less severe than during the circuit breaker last year.

He added that Singapore's gross domestic product (GDP) growth could exceed the 4-6 per cent forecast range, but this is barring any setback to the global economy. The 4-6 per cent official forecast range was maintained last month and will be next reviewed in August.

The investment return from the official foreign reserves (OFR) was S$8.2 billion in FY2020/21, down from S$16.3 billion in the previous financial year. The S$8.2 billion comprised of investment gains of S$22.8 billion, and negative currency translation effects of S$14.6 billion.

The investment gains came as global markets recovered strongly during the financial year, derived mainly from interest income and realised capital gains. Negative currency translation effects were primarily due to the strengthening of the Singapore dollar against the US dollar and Japanese yen.

MAS made a net profit of S$5.2 billion, and will return half of the profits, or S$2.6 billion, to the government and the remainder will be added to MAS' reserves. As at March 31, 2021, MAS held S$510.2 billion of OFR.

Investment grade bonds in the advanced economies form the largest allocation in the portfolio, with about three-quarters of the OFR denominated in US dollar, euro, Japanese yen and pound sterling, with US dollar forming the bulk.

Mr Menon on Wednesday warned retail investors against investing in cryptocurrencies and crypto assets, but said that Singapore does not want to curtail innovation. This comes as countries around the world such as the United Kingdom and China have been clamping down in this space.

For Singapore, it is better to "stand guard at the gates" of the formal financial sector to make sure that the risks are well-contained, rather than try to control the crypto asset players directly, said Mr Menon.

He noted that there are many small players in the crypto space which are experimenting with the technology to create use cases that have "great social and economic benefit" – a development that MAS does not want to put a stop to.

However, he flagged that people could be investing in crypto without fully understanding them.

"Our advice (to retail investors) is to stay away from this – the risks are huge, price movements are very volatile, and if you put a substantial part of your savings or investments into these things, you could lose a lot of money," he said.

> MAS managing director Ravi Menon warned retail investors against investing in cryptocurrencies and crypto assets, but said that Singapore does not want to curtail innovation.

HR firms favour encouraging, not mandating vaccines for staff

Continued from Page 1

An employee refusing to be vaccinated is not grounds for termination "unless the employer can justify that it is a lawful and reasonable direction", said the article.

A written policy on mandatory vaccination by the employer should avoid discriminatory language by providing exemptions; it should also exclude measures that might be seen as unreasonable.

Jaya Dass, managing director at Randstad Singapore and Malaysia, said new HR policies should not make employees feel their employment will be at risk if they do not take the vaccine. But job scope should be taken into consideration, as some may be at higher risk than others, she added.

Firms may need to evaluate their travel and health policies regarding employees who are not vaccinated but need to travel frequently; these employees may need to be moved internally to other duties without affecting their job and financial security, she said.

HR consultancy HR Law Academy has addressed such concerns in seminars. As the government's stance is that vaccination is not compulsory, it would generally not be reasonable for employers to mandate it, said its executive director Arthur Khong.

But he added that legal issues aside, "employers should consider the potential impact that a mandatory vaccination programme will have on employee morale".

Employers can instead offer incentives. But these should be modest, and not so large that they induce staff to get vaccinated, he added.

In the Aon survey, 34 per cent of respondents intend to provide incentives such as time off. Providing a day off or a paid rest day if workers are unwell can help "push the needle", said David Leong, managing director of HR search and consulting firm PeopleWorldwide Consulting.

But some question whether the onus should even be on employers when it comes to nudging more Singaporeans to take the shot.

Singapore University of Social Sciences economist Walter Theseira, said while it makes sense for employers to want staff to be vaccinated, "employment is not the right lever to convince people to get vaccinated".

"Although there have been no studies of vaccination hesitancy by demographic group in Singapore, we know from research elsewhere that economically marginalised groups not only tend to suffer more from Covid-19, but also tend to have more concerns about vaccination because of their pre-existing poor experiences with the health system, or their lack of coverage by the mainstream health system," he said.

Using employment as a lever risks worsening inequalities, since it could result in unemployment or force people to put aside their concerns in order to make a living, he said.

There is still work to do in communicating the benefits of vaccination, and to address the concerns of those who are reluctant, he said. "This should be a responsibility borne by society, not something delegated to employers," he said, adding that doing so may risk disproportionate impact on lower-income workers.

As to a parallel question of whether landlords may bar unvaccinated tenants or visitors from their premises, Yuen Law LLC managing director Samuel Yuen said: "This is ultimately a risk-management issue, but it is potentially discriminatory."

TSMP Law Corporation partner Jennifer Chia said that while landlords have an exclusive right to possession and may exclude any person from their premises, they have to avoid discrimination against those who are ineligible or not yet vaccinated.

There are also considerations such as whether barring unvaccinated tenants would be in breach of tenancy agreements, and whether landlords may compel the disclosure of such personal data, said David Lim & Partners LLP partner Koong Len Sheng.

The MAS said on Wednesday that it is conducting additional stress tests to assess whether it is necessary to extend the current dividend caps on local banks. BT FILE PHOTO

Analysts believe conditions ripe for MAS to ease dividend restrictions

By Vivien Shiao
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Singapore

ANALYSTS expect the Monetary Authority of Singapore (MAS) to soon ease its current dividend restrictions on local banks, given their strong capital levels and earnings, but cautioned that there is still ongoing economic uncertainty that could weigh on the central bank's decision.

This comes as the MAS said on Wednesday that it is conducting additional stress tests to assess whether it is necessary to extend the current dividend caps on local banks.

The MAS is in close discussions with banks on their capital-management plans and will be advising them on its position "very shortly", said Ho Hern Shin, MAS' deputy managing director for financial supervision at the launch of MAS' annual report.

Since July last year, the MAS has called on local banks to cap their total dividends per share for FY2020 at 60 per cent of the previous year's dividends per share, and to offer shareholders the option of receiving the dividends in scrip in lieu of cash. This was done as a pre-emptive move to ensure that banks prioritise lending and support businesses and individuals during the pandemic.

On Wednesday, MAS managing director Ravi Menon pointed out that the central bank's earlier concerns that defaults among weaker corporates could strain banks' profitability and capital positions have not materialised. The MAS estimates the financial services sector grew by about 6 per cent in the first half of this year.

The domestic systemically important banks started the year with "strong capital positions" with an aggregate CET-1 (Common Equity Tier 1) ratio at 14.7 per cent in the first quarter of 2021, higher than the 14.4 per cent prior to the onset of Covid-19, he said.

While there was a slight uptick in non-performing loans, the ratio has remained largely stable at 2.4 per cent as at Q1, added Mr Menon.

That said, he cautioned that problem loans can take time to surface. "Borrowers on full or partial loan moratoriums may not show signs of financial stress, especially if they are also obtaining financial support from the government," he said.

But as the support measures taper off, banks will have greater clarity about the repayment ability of their borrowers.

This comes as the MAS recently announced the "final extension" of the current set of credit relief measures by another three months, till the end of September 2021.

Analysts believe that there is room for the MAS to ease dividend curbs on local banks.

Kevin Kwek, managing director and senior banking analyst at Alliance Bernstein, said that his baseline view is that the restrictions should be lifted, if not eased, "as soon as it is deemed safe". This comes on the back of the healthy earnings and capital levels seen in all three local banks, as well as the positive outlook.

Easing will allow the banks to manage their capital more efficiently, he added.

CGS-CIMB Securities' analyst Andrea Choong concurred that conditions are ripe to consider lifting the dividend cap.

"Banks have so far reported that asset-quality concerns are stabilising, with borrowers' repayments post-moratoriums streaming in steadily," she said.

She noted that borrowers in need of aid would likely have stepped forward for aid by now, or ceased operations. At the same time, banks have taken hefty pre-emptive impairments in 2020 to build a buffer for potential deterioration, while maintaining strong capital levels.

Maybank Kim Eng's head of research Singapore Thilan Wickramasinghe is more cautious.

"We think there is room for some loosening, but it may be too early for a full withdrawal," he said. "While the banks are well-capitalised, they are still carrying exposures to pockets of moratoriums and restructurings around the region. This creates uncertainty."

Resurging Covid-19 infections is also further clouding visibility and could raise questions on asset quality, he added.

But Mr Wickramasinghe acknowledged that Singapore is not faced with the same levels of risk and unpredictability as at the start of the pandemic, when the dividend caps were imposed.

Analysts said that allowing dividends caps to lift too early could put banks in a weak position to support the economy if credit is needed.

Ms Choong noted: "Realistically, if the caps are lifted too quickly, a very severe asset-quality deterioration could see earnings being impacted as a result of potential credit costs ahead."

That being said, she emphasised the capital strength of Singapore banks, with CET-1 ratios of 14-15 per cent.

Mr Kwek also said that it seems unlikely that the banks will go overboard with payouts because of a lifting of caps.

"Equally, excess capital won't mean they become imprudent on lending," he added.

Elsewhere, US banks the likes of Morgan Stanley, JPMorgan and Goldman Sachs have said that they are hiking their dividend payouts after the US Fed gave them the green light after their annual stress tests, ending pandemic-era restrictions on how much capital they could return to investors.

The European Central Bank could also follow suit in the coming months, thanks to an improved macroeconomic environment in the euro zone.

Ministerial statement on support measures on Monday

By Leila Lai
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@LeilaLaiBT

Singapore

FINANCE Minister Lawrence Wong will deliver a ministerial statement in Parliament at 3pm on Monday, the Ministry of Finance said on Wednesday.

He will outline support measures for Phase 2 and Phase 3 (Heightened Alert) and the funding approach for the measures.

This will be his first parliament speech since he became Finance Minister following the Cabinet reshuffle in May.

He will deliver the statement ahead of the Supplementary Supply Bill. Mr Wong said in late May that an S$800 million support package would be rolled out to help firms and individuals affected by the Phase 2 (Heightened Alert) measures. He added that there would be no draw on past reserves to fund this package.

The full statement will be published on the Singapore Budget website (www.singaporebudget.gov.sg) after Mr Wong has delivered it.

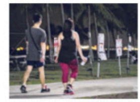
MONDAY JUNE 28, 2021

SINCE 1845

Singapore • Look but don't touch, when it's low tide at Changi Beach | B1

Smart parenting • Preparing children for P1 | C1

Singapore • Exercising in the wee hours to skip the crowds | B5



THE STRAITS TIMES

More S'poreans tap schemes to upskill, switch careers

Nearly 6,300 mid-career PMETs joined such programmes last year – a 41% jump from 2019

Calvin Yang
Manpower Correspondent

More Singaporeans tapped professional conversion programmes (PCPs) last year to learn new skills and switch careers, amid a weakened hiring market due to the Covid-19 pandemic.

Some 6,270 professionals, managers, executives and technicians (PMETs) joined such programmes last year, a jump of 41 per cent from 2019, Workforce Singapore (WSG) told The Straits Times.

These mid-career workers went through structured training and gained on-the-job experience to change sectors or be redeployed to other roles within their companies, said the government agency.

WSG offers about 100 PCPs in more than 30 sectors. Close to 20 new programmes were introduced last year, including ones for furniture and lifestyle designers, and advanced biopharmaceuticals manufacturing professionals.

"For employers, PCPs are an opportunity to expand their talent pipeline beyond job-ready candidates to meet their manpower needs," WSG added.

General manufacturing, education and logistics were the top three sectors for PMETs placed through the PCPs last year.

The higher uptake is due to the Covid-19 outbreak disrupting industries and displacing workers, said observers. More businesses are also using this period to transform themselves.

Ms Linda Teo, country manager at recruitment agency ManpowerGroup Singapore, said many workers have been retrenched or had their jobs phased out. "With opportunities being limited, more people are open to switching industries or using the downtime to pick up new skills," she added.

Last year, WSG offered about 10 Job Redesign Reskilling/Redeployment PCPs to train existing workers in some affected sectors like tourism for new or redesigned roles within the same firm.

Dr David Leong, managing director of PeopleWorldwide Consulting, said workers in sectors battered by Covid-19, such as retail and aviation, may face grim prospects with the prolonged restrictions.

Hence, the PCPs "help morph portable skills or train new skills, so that the transitioning of jobs is made less painful", he noted.

Singapore Human Resources Institute president Low Peck Kem said that even if workers are hesitant to make a career switch at first, the uncertain Covid-19 situation has put more pressure on them to review their career prospects and the relevancy of their skills.

The increase in PCP enrolments reflects "the agility of our workforce to be able to pivot into growth areas, (as well as) the openness of employers to hire mid-career talents", she noted.

Some growth sectors here with a high demand for trained professionals include healthcare, infocomm technology, financial services and logistics.

Personal care products distributor Corlison has six staff who went through the PCP last year.

The company's managing director Andy Ong said the programme "has shortened the time needed for a new team member to get on-the-job training and become familiar with the tasks in a new role".

Many PCPs adopt a "place-and-train" approach, where mid-career workers are first hired by a participating employer before undergoing training to take on new roles.

Childcare teacher Sharon Lim was sent by her employer Greenland Childcare for a pre-school teacher PCP after joining in August last year. The 50-year-old, who has worked as a bank teller and customer service officer, will complete the programme in August.

"This PCP has equipped me with the skills to manage children. We have to choose suitable ways to support their learning needs," said Ms Lim, who looks after pupils at the playgroup level. "While the work is tiring, it is also fulfilling."

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SEE BUSINESS • B14

Dengue • New strains may pose higher risk

New strains of less common dengue serotypes could raise the risk of a larger outbreak, say experts.

The new strains, usually introduced through imported cases, can subsequently circulate more widely due to factors such as lower population immunity to the less common serotypes, and better virus replication in the mosquito and the human.

SEE THE BIG STORY • A10

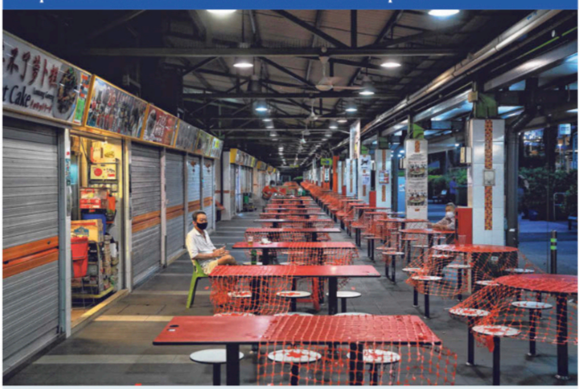
Talks • S'pore, UK eye pact on digital economy

Singapore and the United Kingdom have launched negotiations on a digital economy agreement. It will be the first such pact between an Asian and a European country.

This was jointly announced by the Ministry of Trade and Industry, Ministry of Communications and Information, and the Infocomm Media Development Authority early today.

SEE THE BIG STORY • A9

All quiet as Bukit Merah View hawker centre reopens



Mr Ong Kin Thoo, 71, owner of Sin Kwan Coffee, taking a break after returning to clean his stall at Bukit Merah View Market and Hawker Centre yesterday. The hawker centre at the heart of Singapore's largest open Covid-19 cluster reopened yesterday after a two-week closure, but fewer than 10 out of the centre's 182 stalls were open for business when The Straits Times visited at 8.30am. Few customers also turned up as they had been told by vendors that business would not resume so soon. ST PHOTO: KEVIN LIM SEE THE BIG STORY • A6

Malaysia to extend full lockdown till cases drop

Ram Anand
Malaysia Correspondent
In Kuala Lumpur

Malaysia will extend its full lockdown until daily new Covid-19 cases drop below 4,000, and its targets on vaccination and intensive care unit (ICU) bed usage are met, said Prime Minister Muhyiddin Yassin yesterday.

The lockdown was originally due to end today, but the country is still averaging above 5,000 cases a day, nearly four weeks into the lockdown.

It recorded 5,586 new cases and 60 deaths yesterday.

Malaysia spent much of last month under a more relaxed na-

MORE GOVT AID continued on A2

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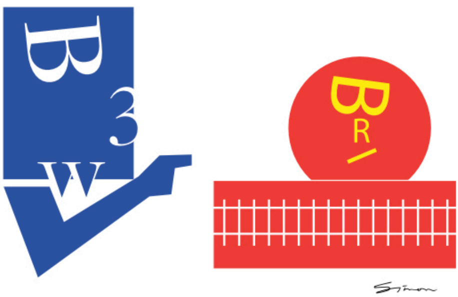
THIS WEEK'S TOPIC

As a business leader, what is your response to the G-7's Build Back Better World (B3W) plan to rival China's Belt and Road Initiative (BRI)?

Countermeasure or complement?



BT ILLUSTRATION: SIMON ANG

Victor Mills
Chief Executive
Singapore International Chamber of Commerce

It is very late to the table. There is no funding model and the European Union (EU) will be lukewarm at best because of economic ties with China. But the very basis for the initiative worries me much more. It smacks of attempting to gang up against China because China is not a Western style democracy and is eclipsing the G-7 in economic power. The G-7 needs to accept alternative political systems and economic reality. It needs to demonstrate leadership by avoiding counterproductive combativeness and, instead, seek collaboration with China where possible, compete under reformed World Trade Organization (WTO) rules and agree to disagree where necessary.

Charles Reed
Royal Greyhound Pte Ltd
Chairman and CEO

It seems the G-7's Build Back Better World (B3W) plan does not have much substance. It is rhetoric at best and may only facilitate investment in the single-digit billion dollars, while China's BRI is in the trillions of dollars. My concern is that it may be used as language to further widen the schism between the US and China and further delay our recovery in Asia. China's Belt and Road Initiative (BRI) will strengthen its global influence particularly in developing countries; the G-7's B3W will lose out. While it is positive that the Biden administration is looking to re-enter global politics, it is unfortunate that they are positioning themselves to oppose China and, to a lesser degree, Russia. We have undergone a generational crisis and we need leaders to engineer recovery, not conflict. Global business leaders cannot ignore China. The current developments alienate and antagonise rather than amend.

Charles H Ferguson
General Manager, Asia Pacific
Globalization Partners

The Group of Seven's B3W and vision for global infrastructure development is a bold, judicious post-pandemic initiative. How well it will be executed remains to be seen. It is important to acknowledge that the B3W also focuses on "coordinating private capital" – meaning that the nations participating will be raising the money from capital markets, as opposed to using state funds. This may present a significant challenge, as it implies a need for return on investment. The BRI, on the other hand, has from inception been driven by a model of lending capital to participating nations and infusing additional funds from other sources, albeit with a high degree of state influence. Regardless of the political mechanisms at play on either side, these types of bold, globally stimulating, job creating, commerce and trade driven initiatives create a rising tide that lifts all boats.

John Bittleston
Founder and Chair
Terrific Mentors International Pte Ltd

"Seeing is believing" applies to the West's B3W plan. Movements of goods and people are still the most successful ways of increasing economic trade, educating different cultures about other approaches to a good life and developing harmonious relations between seemingly opposing political societies. In my lifetime we have gone from shooting tigers to understanding the contribution wildlife makes to a healthy and intelligent planet. Conservation came as a result of understanding. New investments to allow early developing communities to advance faster will grow the economic pie, develop the circular economy – essential to the planet's survival – and start to ensure some measure of fairness between the haves and the have-nots.

Lawrence Loh
Director, Centre for Governance and Sustainability
NUS Business School

Explicitly positioning the B3W plan as a competitive counteraction against the existing BRI calls for deeper scrutiny. The new B3W, if pit against the BRI, may polarise the world and lead to a further decoupling of the business systems, especially the supply chains. It may escalate additional tensions in the already strained relationships between the major powers. Indeed, many other countries will be caught between the two alternative structures. The G-7 and China should work together for a new economic order that promotes global peace and prosperity. How about advancing an all-inclusive integrated approach – could this be the "A" that will be better than two "Bs", B3W and BRI?

Yeoh Oon Jin
Executive Chairman
PwC Singapore

Since its inception, China's BRI has shone a spotlight on infrastructure investment gaps in developing countries. While significant progress has been made, this gap – which has widened as a result of Covid-19 – cannot be filled by BRI alone. The G-7's B3W plan provides an additional platform for partnership for private and public sector investment and will serve to mobilise investors and financial institutions from member countries. Such initiatives create healthy competition in the market for projects and can only benefit developing countries around the world. The B3W could also serve to promote the sharing of best practices and technologies, governance and transparency in infrastructure project development, which can contribute to improving the quality of these projects in developing countries.

Vadim Berman
Chief Executive Officer
Tisane Labs

I think the G-7's new initiative, if it really gets funded, is an opportunity for the developing world. Until now, China was largely unchallenged in that field. With B3W, emerging markets get to choose.

That is not to say that investing large amounts will automatically solve the issues. Certain problems, such as corruption, are not about the amounts invested but their distribution. We should be prepared that large amounts will be wasted both by China and the G-7 – much like it happened with Soviet investments in infrastructure decades ago. Still, this is a good, much-needed initiative.

Jeffery Tan
Group General Counsel
Chief Sustainability Officer
Jardine Cycle & Carriage

Any vision and plan to build up the world's infrastructure that closes the gap between developing countries and the leading G-7 economies must surely be welcomed.

The challenge for the B3W is two-fold: First is to close the "time gap", as it lags behind China's BRI that was announced in 2013. This requires the G-7 to have a heightened sense of urgency to build meaningful momentum that can rival and complement the BRI.

Second, and more importantly, the G-7 will need to exhibit extraordinary administrative capabilities to get the B3W off the ground, mindful that this will require the spirit of collaboration and cooperation across all levels among member countries, plus a generous measure of diplomatic skill and camaraderie that will unify them into a single entity focused on delivering solutions to a bold initiative.

David Sandison
Singapore Practice Leader
Grant Thornton Singapore

The G-7 is an unofficial club involving the heads of state of (at the time of formation) the six leading nations in the world. Since 2014 it has excluded Russia; it has never included China. It has no statutory force or treaty to bind the parties. The success of anything the seven formulate will be dependent upon consensus, individual political will and benefit, as well as economic capability. China, on the other hand, has no such constraints, and focused political will is a given. Whether the B3W plan is all mouth and no trousers, only time will tell. If it is not to be, they had better get a move on. It may be worth considering the benefits of including China in a G-8 rather than excluding it.

Dileep Nair
Independent Director
Thakral Corporation Limited

Companies should be agnostic in seeking business opportunities. Our longstanding connections with China have allowed many Singapore firms to benefit from BRI projects, in areas such as master planning, logistics and finance. Even without any BRI-related infrastructure projects within the country, Singapore is a significant foreign investment destination for China, capturing annually almost a quarter of total investment outflow from China to BRI countries. Partnering with the G-7 countries, Singapore can play a similar pivotal role with B3W projects, especially in being a regional infrastructural and financial hub. Moreover, our reputation for clean, efficient and corruption-free governance would make us a preferred choice to be an impartial intermediary for projects funded by the G-7. The Singapore Business Federation should now raise awareness of the opportunities arising from B3W projects and connect relevant stakeholders by building an online and offline business platform, similar to its BRI Connect.

Long Jek Aun
Partner, Singapore Office Head
Simmons & Simmons JWS

Hopefully, the competition will be healthy in nature, and fairness and goodwill will prevail. Rules-based competition can mean, among other things, more choices, greater efficiencies, economic development and growth and more innovation. The developing world can potentially greatly benefit from these plans and initiatives.

David Kuo
Co-founder
The Smart Investor

Any initiative that will help developing nations improve the lives of their people should be applauded. It is a shame that it has taken the G-7 this long to recognise that many emerging economies need assistance from wealthier developed countries. It is still early days for B3W, though. At the moment it is still a plan that will focus primarily on climate, health, digital technology, and gender equality. In many ways, these are more important than ports, roads, dams, and airports. Anyone can bulldoze and jackhammer their way to delivering infrastructure. But addressing the things that really matter, such as social, economic and gender inequalities, requires a deeper understanding of human rights and what people need.

Chia Ngiang Hong
President
Real Estate Developers' Association of Singapore (REDAS)

The G-7's B3W plan *prima facie* seems to have some potential to uplift targeted developing nations and promote a shift towards greater sustainability and socio-economic equality. It could well complement China's ongoing BRI and generate myriad opportunities for investment and growth, giving rise to prospects for business expansions in the future. Without details of the plan such as financing arrangement and conditions through which nations and businesses can participate, it is premature to make an informed assessment. However, it will greatly benefit businesses if major global powers could focus on economic and developmental goals and shift away from a zero-sum mentality – or worse, confrontation over ideology – and make genuine efforts to build trust, inclusiveness and equality. This will avoid polarising the world and causing significant challenges and uncertainties for businesses.

Maren Schweizer
Chief Executive Officer
Schweizer World Group

I do not think the B3W is solely a countermeasure to China's BRI. Infrastructure is what allows one to have a life.

Disruptions to infrastructure – provided the infrastructure even exists – are an everyday concern that reduces employment opportunities, hampers health and education, and limits economic growth. Therefore B3W – building back better – is crucial for sustainable, quality infrastructure which closes access gaps and improves economic and social outcomes.

Furthermore, infrastructure does not need to be financed solely by the public sector. Public-private partnerships are a win-win tool to get quality infrastructure services to more people while closing the investment gaps of governments. We, as corporates, can play our role with money and expertise, too.

Sanjeev Kumar
Senior Country Manager, Singapore and Head of SEast & South Asia
Natixis

In principle, the B3W is a sensible initiative that will positively contribute to addressing global infrastructure investment shortfalls in developing countries. That said, this complex scheme will not only require cooperation and agreement between participating governments, but the initial announcement indicates that it will also rely on commitments and investment from the private sector – corporations, banks and financial institutions – with little insight into how this will be achieved. With Italy already a member of the BRI, perhaps the foremost initial challenge will be finding agreement among the G-7 countries themselves. For now, the devil remains in the details – most of which are yet to be revealed.

Mario Singh
Chief Executive Officer
Fullerton Markets

The global response to B3W has been muted at best. The primary reason, whether countries openly acknowledge it or not, is that none of them stand to gain by straining relations with China – the 800-pound gorilla in the room. China is already the world's largest economy, relegating the US to second place in terms of purchasing power parity. Additionally, among China's top 10 trading partners, three are in the G-7: the US, Germany, and the UK.

With regards to BRI, China has so far signed pacts with 140 countries and 31 international organisations. In Africa alone, 46 countries and the African Union Commission have inked agreements with China. Hence, we can see that China's economy is very intertwined with G-7 members and many African countries – the very countries that the B3W claims to potentially offer infrastructure support and investment.

Economically and politically, I do not see the G-7's B3W as a credible alternative to China's BRI.

Toby Koh
Group MD
Ademco Security Group

Ideas and real execution are vastly different. B3W is an admirable alternative to rival China's BRI. But so many challenges lie ahead starting from funding, financing, lobbying and more. In a time when many countries stricken by Covid-19 are challenged with keeping their people safe and economies running, will the B3W be accorded the priority as promised? The G-7 heads of state will have to manoeuvre their political friends and foes to support B3W, which is another challenge. China, on the other hand, has a headstart. The Chinese are carrying out their BRI strategy with funding, direct diplomatic efforts and strong financial reserves. I do not see the B3W as a challenge to BRI anytime soon. Perhaps the biggest beneficiaries will be all the other countries who will be wooed by both the East and West sides.

Lim Soon Hock
Managing Director
PLAN-B ICAG

The proposed B3W will compete with and complement China's BRI. It will expand global connectivity and trade links, benefiting more low- and middle-income countries through accelerated investments in their infrastructures.

The economic benefits far outweigh political considerations. Corporations can therefore be expected to welcome this bold new global infrastructure initiative, which will create new business opportunities. Most companies will prefer to stay apolitical, preferring to devote their energies to leverage the benefits of both the B3W and BRI to grow their businesses.

When successfully implemented, B3W and BRI will uplift the world – economically, socially, and culturally – provided political aspirations are not mismanaged.

David Leong
Managing Director
PeopleWorldwide Consulting Pte Ltd

G-7's B3W plan to rival China's BRI is at best a copycat version trying to catch up on lost time in engineering alliances with developing countries. BRI is China's soft power initiative that was launched in 2013.

B3W is an unwieldy plan put together by the Western democracies, often at odds with each other (particularly US and Europe during former American president Donald Trump's term). The internal friction may make it hard at the implementation level. Conceptually and philosophically, B3W is plausible since developing countries are always at varying stages of needs in term of infrastructural development. For B3W, funding quotas by participating members may be a challenge, unlike China's BRI.

In fact, even the US sorely needs infrastructure upgrades at home, and it is best they address their own concerns first. The European countries are at various stages of infrastructure degeneration and need similar uplifting themselves. Unless they save themselves first, it is a domestic political dilemma for them to try to help others.

Chia Tek Yew
Vice-Chairman
Oliver Wyman

Any government-led initiative to rebuild the world economy through improving infrastructure in developing countries will be welcome by businesses and individuals alike. This can lead to many opportunities to benefit both foreign and local businesses and generate higher employment in the developing countries. It is laudable for the G-7 to unite on this front and businesses will be awaiting eagerly the details that underpin this commitment. We anticipate some challenges in coordinating such a programme across seven governments, with additional complexities of having to activate private finance to fund such infrastructure development.

In comparison, a single-country programme utilising government-owned entities and banks such as China's BRI would have a distinct advantage in execution capability.

This said, we really should not view the B3W plan as a counter-alternative but rather as an additive element to the BRI, in that it would take more than just China to help build infrastructure across all developing countries. Over time, when the G-7 has provided details and mobilised private capital efficiently and effectively to fulfil its B3W commitment, developing countries will have the benefit of working with both the G-7 and China in fast-tracking infrastructure development, especially in areas that will help us globally to achieve our environmental, social and governance (ESG) goals.

Nick Merritt
Global Head of Infrastructure, Mining and Commodities, and Partner, Singapore
Norton Rose Fulbright (Asia) LLP

With the global infrastructure deficit estimated at US$1 trillion per year, the B3W plan will no doubt be welcome news to the low- and middle-income countries still in the throes of the pandemic. Sustainability, resiliency and transparency are unifying themes across the commitments made at the G-7 summit, and the emphasis on global collaboration to ensure high ESG standards and principles as this infrastructure plan is rolled out is critical.

G-7 nations will, however, need to balance their B3W commitments against their own budgets. While the details of the capital commitment by each G-7 nation is yet to be unveiled, it is clear that leveraging development finance in order to mobilise billions of dollars of private capital at historic low costs will be critical to its success.

Local Tesla buyers face longer wait for their electric cars

Delay of 2 to 6 months due to global chip shortage, Covid-19 pandemic, high demand

Christopher Tan
Senior Transport Correspondent

Tesla's delivery of its first cars here has been delayed by between two and six months, its schedule upset by a worldwide chip shortage, the Covid-19 pandemic and high demand.

The American electric-car maker was unavailable for comment, but buyers who have been in touch with the company said it had secured certificates of entitlement for its first cars in May and June tenders. These will be for a handful of cars which will be delivered next month.

Buyer Alvin Tham is among those who will be getting their Model 3 cars first. The 29-year-old blockchain consultant said he reserved a car in 2016 when the model was unveiled globally, and placed an order "within four minutes" of its Singapore sales portal going live on Feb 9.

Mr Tham expected to get his car – his first – last month going by the portal's delivery timeline of "12 to 14 weeks". "But in April, they reached out to say their service centre would not be ready in time," he said, adding that his car would be delayed by two months.

Describing his five-year wait to get his Model 3 Performance, Mr Tham said: "It's been excruciating. During that time, I even considered getting a parallel import."

He even stopped renting cars two months ago because he expected to get his Tesla by then. "I've been in a bit of a limbo since," he said, but added that he is happy he will finally be getting his Tesla.

Another buyer, Mr Michael Tan, did not mind the delay as he has a car – a Porsche. The 51-year-old company director also said he expected to get his Tesla Model 3 Performance "12 to 14 weeks" after he booked it in February.

"They told me a month ago that I'll get it in October," he said. "I'm happy that their sales are good because I'm a Tesla shareholder too."

But banking officer Shaun Lin is not so pleased. The 40-year-old said he placed his booking within "one or two days" of the sales portal opening. He was ordering the Model 3 Standard Range as a replacement for his wife's car, and thus was banking on the initial three-month wait.

"Two months into the wait, I had no word from them. So I contacted them, and waited another two to three weeks for them to respond," Mr Lin said. "They told me I would be getting my car probably in October or November."

He asked: "How can it be nine months?" He has since bought an Audi Q3 (a compact sport utility vehicle that runs on petrol) because "it's in the same price range as the Tesla".

Industry observers attribute the protracted delivery to a worldwide chip shortage, high demand and the Covid-19 circuit breaker period last year derailing Tesla's plans to set up its service centre here.

Meanwhile, a Tesla Owners Club (Singapore) has been registered, with Mr Joe Nguyen as its inaugural president.

Mr Nguyen, 49, made news in 2016 when his privately imported Tesla Model S was slapped with an emission surcharge – prompting Tesla chief Elon Musk to contact Prime Minister Lee Hsien Loong.

The surcharge stayed, but Mr Nguyen, a digital media consultant, has since become an unofficial Tesla brand ambassador of sorts here.

Commenting on the delivery delay, Mr Nguyen said it was "not uncommon" for buyers anywhere to have to wait for their Tesla. "Demand is high," he said.

In March, Tesla updated its delivery time for the Model 3 in the US from "two to five weeks" to "two to 14 weeks".

When The Straits Times checked this week, the Tesla Singapore sales portal merely indicated that deliveries would take place in the second half of the year.

christan@sph.com.sg

Workers removing fixtures at Tan Chong Motor's Nissan showroom at 17 Lorong 8 Toa Payoh on Tuesday. The Straits Times understands that American electric-car maker Tesla will likely operate its car servicing centre at that facility, slated to open next month. ST PHOTO: KUA CHEE SIONG

Tesla set to open service centre in Toa Payoh, 'experience stores' in malls

Tesla Singapore will operate out of a Toa Payoh facility formerly occupied by Tan Chong Motor's Nissan dealership.

The American electric-car maker was not available for comment, but The Straits Times understands that the company is likely to have its car servicing centre at 17 Lorong 8 Toa Payoh, slated to open next month.

It may display its Model 3 there, although the company is also said to be planning "experience stores" at venues such as Raffles City Shopping Centre and Jewel Changi Airport.

Similar stores in the United States can be found in shopping malls. Test drives can be arranged at these venues.

Tesla has also appointed a country manager in Singapore.

The only Tesla model available for sale here is the Model 3 compact. Although Tesla does not reveal how many confirmed orders it has in hand, market watchers estimate the number to be between 200 and 500.

The company, led by eccentric billionaire Elon Musk, has appointed Frenchman Christopher Bousigues as country manager for Singapore.

Mr Bousigues, 45, has just arrived here to assume his post, and is under a stay-home notice because of Covid-19 restrictions.

He was previously with software firm SAP as well as Microsoft. He said he has lived and worked in 19 countries, and speaks five languages.

He holds two degrees from France, one in mechanical engineering and the other in marketing and international business, as well as a Master of Business Administration from the Helsinki School of Economics in Finland.

"In my private life, I am an avid sportsperson, a geek," he said, adding that he is also a car enthusiast and enjoys "being on a race track when possible".

Asked what he hopes to achieve in Tesla, he said: "I hope to bring my experience, from having worked in various markets and industries, to help Singapore in its Green Plan around mass adoption of electric vehicles."

Commenting on Tesla picking a non-automotive executive for a role in what is possibly the most complex vehicle market in the world, Mr David Leong, managing director of recruitment company PeopleWorldwide Consulting, said: "It may look like a different fit with little relevance to the automotive industry... but Tesla's target market will be those who are into smart mobility and intrigued with Tesla's technology in the automotive space.

"In any case, Tesla has a strong rebel streak going against the grain of conventionality. Its choice of a country manager who is an outlier... should not be seen as surprising."

Christopher Tan

Tesla's China-made Model 3 at the company's Experience Centre in Shanghai in January last year. The Model 3 compact is the only Tesla model available for sale in Singapore. PHOTO: EPA-EFE

COUNTRY MANAGER FOR S'PORE

I hope to bring my experience, from having worked in various markets and industries, to help Singapore in its Green Plan around mass adoption of electric vehicles.

MR CHRISTOPHER BOUSIGUES

Weather

SINGAPORE
25/34°C

THUNDERY SHOWERS

Thundery showers mainly over northern, eastern and western Singapore in the afternoon.

OUTLOOK
Friday: Afternoon thundery showers.
Saturday: Fair.

AIR QUALITY
PSI 39-55 (Moderate)
24-hour reading as of 6pm yesterday

Sun	Moon
Rise 7am	Rise 12.31pm
Set 7.12pm	Set 12.09am

TIDES
Today: 2.43am (2.7m), 9.41am (0.4m), 4.52pm (2.3m), 10.01pm (1.4m).
Tomorrow: 3.43am (2.5m), 10.37am (0.5m), 5.45pm (2.4m), 11.09pm (1.3m).

Wanted French national left after transit stop here

Zaihan Mohamed Yusof

A wanted French national and his family, who had made a transit stop in Singapore on Sunday, left the country on Tuesday, said the Ministry of Home Affairs (MHA).

Remy Vincent Christophe Daillet, his partner Leonie Bardet and their three children were residing in Malaysia when they were arrested late last month for overstaying in Langkawi island.

The Malaysian authorities deported them to France via Singapore on Sunday.

During their transit in Singapore, the pregnant Ms Bardet had complained of discomfort. She was issued a special pass to enter Singapore and was taken to KK Women's and Children's Hospital on the advice of the doctors at Changi Airport.

A spokesman for MHA said yesterday: "Daillet and the children remained in the transit hotel at Terminal 3. They were not allowed to enter Singapore as they were deportees from Malaysia for France. Bardet was subsequently discharged and reunited with Daillet and the children at the transit hotel."

On Monday, online portal theVibes.com reported that the five French nationals did not board Air France Flight 257 – a direct flight to Paris – which departed Changi at 10.35pm on Sunday.

Remy Vincent Christophe Daillet and his family made a transit stop here en route to France after being deported from Malaysia. PHOTO: AGENCE FRANCE-PRESSE

Two of the three children, aged 17 and nine, are from Ms Bardet's former marriage. The youngest, aged two, is a child by the couple, said theVibes.com.

Daillet had been living in Langkawi illegally for the last six years under a self-imposed exile, it added.

The portal also said an international arrest warrant was issued by Interpol on Daillet for his alleged role in the abduction of an eight-year-old girl from her grandmother in France in April last year. She was later rescued by French and Swiss police in Switzerland.

MHA said that the five French nationals were not under the custody of the Singapore police at any point during their transit in Singapore.

Its spokesman said: "As they were transit passengers, they were under the care of the airline that they flew with. Daillet has since been required to continue with his journey to France on June 15, 2021."

The airline acceded to Ms Bardet's request to having her and the three children continue their travel to France with Daillet, the spokesman added.

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S$73.4m in notes held by Laguna pioneer members still unpaid due to golf club's 'financial position'

Hundreds of members are at a loss as to whether they will get back their money; club owner Peter Kwee writes to trustees to say club is unable to redeem notes

By Kelly Ng
kellyng@sph.com.sg
@KellyNgBT

Singapore

HUNDREDS of Laguna National's pioneer members who collectively took up tens of millions of dollars in debentures to help finance the construction of the golf club are at a loss as to whether they will get their money back.

A day before the 30-year notes were to be redeemed, the club's current owner Peter Kwee wrote a letter to the trustees, stating that the club was unable to fulfil the redemption "due (to its) current financial position".

The club's latest financial statements filed at the end of 2019 stated that a director has undertaken to provide financial support to allow it to continue operating as a going concern "in the foreseeable future".

Some debenture-holders told *The Business Times* they took up the notes because the original consortium behind the initial project included credible organisations.

The club was initially owned by a joint venture comprising Singapore-headquartered NatSteel Resorts International (now NSL Resorts International), golf club developer Japan Golf Promotions, and Japanese trading giant Marubeni Corporation.

Here are some key issues in the debacle, first reported by *The Straits Times*.

Peter Kwee (above, right) says about 80% of the original noteholders have surrendered their notes. The current market price to join Laguna National (above) is about S$190,000, he adds. BT FILE PHOTOS

How did three-decade-old debentures get sold to golf-club members?

Debentures are a type of unsecured debt instrument often issued to raise capital for an upcoming project or a planned business expansion. In the United States and United Kingdom, they are often used by sporting organisations and carry varying terms, from interest payments to ancillary benefits, like the option to buy tickets at a favourable price.

In the case of Laguna National Golf and Country Club, the first batch of members had in 1991 taken up non-interest bearing unsecured notes of S$120,000, that the company had undertaken to "redeem in full" on June 11, 2021. This was on top of paying at least S$40,000 in membership fees, as well as monthly subscription dues.

A copy of the unsecured note certificate showed that up to 1,800 such debentures could have been issued. Debenture-holders BT spoke to said their money was used to finance the building of the club, which was inaugurated in 1993.

According to the Monetary Authority of Singapore's inflation calculator, S$120,000 in 1991 would have been worth S$185,000 in 2019.

Based on the club's financial statements as at end-2019, there were 612 debenture-holders with fully paid notes, translating to some S$73.4 million. Its 2020 statements are not yet available on the Accounting and Corporate Regulatory Authority's database.

Other golf clubs in Singapore that have issued debentures include the Jurong Country Club and Raffles Marina, also owned and developed by NatSteel Resorts International. Prominent examples of sporting debentures elsewhere include the Wimbledon championships, where debenture holders have been guaranteed Centre Court tickets and exclusive lounge access.

Teed off

In 2001, entrepreneur Peter Kwee bought Laguna National from NatSteel, after which he revamped the golf course and built a 200-room hotel, the Dusit Thani Laguna, on club grounds. He made "several offers" to debenture holders to reduce liability, said well-known corporate figure Lim How Teck, who is also one of the original noteholders.

Mr Lim told BT: "Many years ago, one such offer came in the form of new memberships, or S$26,000 in food vouchers by the club. In return, we had to surrender the debentures. Most people thought it was a raw deal."

Mr Lim, currently chairman of Redwood International and former deputy chief executive at the Neptune Orient Lines Group, is chairman of a pro-tem committee comprising hundreds of Laguna National's note holders. He said the most recent offer came in April this year, when noteholders were invited to top up S$32,000 for a 20-year membership extension, till the club's lease expires in December 2040.

Mr Kwee is also at the centre of a lawsuit involving The Pines club along Stevens Road, which he sold in 2013 to property developer Oxley Gem for S$318 million. Members have accused him of downsizing their clubhouse and relocating facilities without informing them; they are reportedly seeking damages of more than S$100,000 each.

Current state

In a letter dated June 10 to the British and Malayan Trustees Ltd, Mr Kwee said Laguna National was unable to meet its commitment to redeem the debentures "due (to its) current financial position". "Once our business ceases with effect from June 12, 2021, we will take the necessary steps to finalise our accounts and revert to you again then," he wrote.

BT understands that the trustees have given him until July 2 to submit the club's latest accounts. But Mr Kwee told BT: "To be honest, I don't think there is much, which is why during the past seven to eight years, I had started taking back all the unsecured notes in exchange for other offers, like new memberships."

He said about 80 per cent of the original noteholders have surrendered their notes. The current market price to join Laguna National is about S$190,000, he added.

Mr Lim said the pro-tem committee presented two counter proposals to Mr Kwee last Friday, for which they would recommend to other noteholders if he were agreeable. The first involved making a discounted redemption of S$90,000 for the debentures; the second involved a S$8,400 top-up for 20-year membership extensions, in return for the surrendering of debentures.

How the "world-class golf resort" came to be

In March 1991, the government awarded to NatSteel Resorts International the tender for developing and managing a 126-hectare plot in the East Coast. At the time, this was the largest site ever to be released by the government for recreational and sporting purposes. In NatSteel's S$131 million bid – the highest of five bids received – it proposed building a "world-class golf and country club" on the site, a project estimated to cost between S$200 million and S$250 million.

"Special attention and features will be given to making it a premier venue for golfing by local and multinational corporations," said a statement jointly issued by NatSteel and the then-Singapore Tourist Promotion Board in 1991.

The facility was to have two 18-hole golf courses and be managed as a proprietary club. Unlike a members' club, which gives members voting rights and a say in determining club policies, the rules and by-laws of a proprietary club are framed and altered at the sole discretion of the proprietor.

Bankers' quarantine-free business travel plans to HK may face delays

By Vivien Shiao
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Singapore

SENIOR bankers eager to skip Hong Kong's 21-day quarantine and hit the ground running may have to wait longer than they might have expected. A Bloomberg report on Wednesday said the Financial Services and Treasury Bureau expects to "take some time" as it looks into the details of the travel applications received. "We . . . expect to take some time to process them (the applications) in the light of latest local and global pandemic situations to ensure relevant control measures are sufficient to mitigate the risk of case importation," a spokesman for the authority told Bloomberg.

Bloomberg also cited an unidentified source saying that top banking executives who have applied to take business trips in June are being advised to postpone without having any clarity of the new timeline. The report said according to the source, the Hong Kong government is still evaluating the policy, including how detailed the applicant's itinerary should be. No applications have been approved yet, said the source.

In late May, Hong Kong had announced that fully vaccinated senior executives at financial institutions licensed by its Securities and Futures Commission can apply to travel in and out of the city without any need for a 21-day hotel quarantine, paving the way for them to carry out business upon landing.

Currently, most people arriving in Hong Kong must isolate in a hotel for 14 or 21 days upon arrival. Only fully vaccinated travellers coming from "low risk" countries including Australia and New Zealand, who tested negative for Covid-19, can qualify for a seven-day hotel quarantine.

David Leong, managing director of HR consultancy PeopleWorldwide, told *The Business Times* that the unpredictability of the case surges makes it hard for policymakers to materialise their plans. "The surge incidences are beyond policies and control measures from each side," he said. "Bankers therefore cannot work on such variabilities and uncertainties to reach out to their clients."

He pointed out that digital tools such as Zoom are the most ideal options at this juncture to carry out business as they are "straight to the point" and transactions can be instant.

"When normalcy returns, the bankers can do more for forging better relationships in their physical meetings and interactions," said Mr Leong. "For now, all these niceties and pleasantries can be dispensed for safe measures."

The delay is likely to dash hopes of banks here, some of which have significant operations in Hong Kong such as DBS and OCBC. This comes as the Greater Bay Area is set to be the next battleground for local banks' expansion plans.

However, some banks are taking a wait-and-see approach in their business travel plans, preferring to err on the side of caution. OCBC's head of operational risk management Patrick Chew had said on Monday that all employees for now will be allowed to travel internationally for "business-critical purposes only", such as closing contracts and special investigations that are time-critical.

Under Hong Kong's earlier plan to allow senior global bankers to skip the lengthy quarantine, each financial company can seek exemptions for only four executives entering Hong Kong per month, comprising two visitors and two returning from elsewhere.

Visiting executives must also comply with stringent rules – successful applicants can only leave their accommodation to attend approved activities stated in the trip itinerary.

Separately, Singapore and Hong Kong are set to review their delayed plan for a travel bubble, with talks to resume in early July. The travel bubble has been deferred twice.

> Hong Kong's Financial Services and Treasury Bureau expects to 'take some time' to process travel applications in the light of latest local and global pandemic situations to ensure relevant control measures are sufficient to mitigate the risk of case importation.

NOTICES

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TAMARIND

BORRELLI WALSH 保華
A KROLL BUSINESS

Tamarind Resources Pte. Ltd.
(Receivers & Managers Appointed) (In Liquidation)
Expressions of Interest
Oil & Gas Business

Messrs Cosimo Borrelli and Patrick Bance were appointed joint and several receivers and managers ("Receivers") over all the business, affairs and assets of Tamarind Resources Pte. Ltd. (Receivers & Managers Appointed) (In Liquidation) ("TRPL") by a Deed of Appointment on 27 March 2020.

TRPL is an oil and gas company incorporated in Singapore in 2016. TRPL and its subsidiaries ("Tamarind Group") businesses include investing in, developing and operating oil and gas fields. The Tamarind Group's senior management is based in Kuala Lumpur and its portfolio spans across New Zealand, Philippines, Australia and Singapore.

Tamarind Group's majority owned operating assets comprise the following:

- Tamarind NZ Holdings Ltd – a New Zealand incorporated company and 100% shareholder of Tamarind NZ Onshore Ltd, which owns and operates 4 producing onshore oil and gas condensate permits (Cheal AB, Cheal E-70%, Sidewinder and Supplejack); and
- Tamarind Galoc Pte. Limited – a Singapore intermediate holding company for the Tamarind Group's interests in the Philippines entities, NPG Pty Ltd. NPG Pty Ltd currently holds a 78.8% stake in the Galoc offshore oil field joint venture in the Philippines and is the operator of the asset.

The Tamarind Group also owns minority equity stakes in Australian exploration and development companies, including a 38% stake in Kato Energy and an 8.09% stake in Triangle Energy Limited (ASX:TEG).

The Receivers invite expressions of interest ("EOI") from parties interested in purchasing TRPL's business or assets as whole or in parts.

A Confidential Information Memorandum will be provided upon the execution of a suitable Confidentiality Agreement. Interested parties should email tamarindresources@borrelliwalsh.com on or before 25 June 2021:

Cosimo Borrelli
Receiver and Manager
Tamarind Resources Pte. Ltd. (Receivers & Managers Appointed)
(In Liquidation)

NOTICES

IN THE MATTER OF
THE INSOLVENCY, RESTRUCTURING AND DISSOLUTION ACT 2018
AND
IN THE MATTER OF
MMID UTILITIES PTE LTD
(REGISTRATION NO.: 201417531M)

NOTICE OF MEETING OF CREDITORS

NOTICE IS HEREBY GIVEN that a meeting of the creditors in the above matter will be held by electronic means on 25 June 2021 at 02.00 pm for the following purposes:–

1) To update on the status of the liquidation.
2) To authorise the Liquidators to appoint solicitors pursuant to Section 144 (f) of the Insolvency, Restructuring and Dissolution Act 2018.
3) To discuss the funding of legal fees.
4) Any other business.

Dated this 17 June 2021.

Victor Goh
Khor Boon Hong
Joint Liquidators
C/o Baker Tilly TFW LLP
600 North Bridge Road
#05–01 Parkview Square
Singapore 188778

bakertilly

NOTE:
1. Proof of debt form and Proxy form must be lodged with the Company at 600 North Bridge Road, #05–01 Parkview Square, Singapore 188778 not less than 24 hours before the time appointed for the holding of the Meeting.
2. Please note that this notice is sent to you without prejudice to the Company's right to review the nature and quantum of the debt, if any, owed by the Company to you.

THE BUSINESS TIMES

S$1.30 | A SINGAPORE PRESS HOLDINGS PUBLICATION | businesstimes.com.sg | fb.com/thebusinesstimes | @BusinessTimes | CO REGN NO 198402868E | MCI (P) 017/12/2020 | Monday, June 14, 2021

CHINA CONNECTION

Fuelling and facilitating financial flows

TOP STORIES / 4

EMBARKING ON THE GREEN JOURNEY

Carbon trading: tool for businesses to cut greenhouse gas emissions? VIEWS FROM THE TOP / 12-13

MARK TO MARKET

Time to close compulsory acquisition loophole that helps lowball privatisation offers succeed TOP STORIES / 2

MIND THE GAP

Insurance par funds hold steady in 2020, but policyholders should reset expectations

TOP STORIES / 5

MARKETS

	Weekly	Change
STI	3,157.97	+6.93
KL COMP	1,575.16	-3.29
NIKKEI 225	28,948.73	+7.21
HANG SENG	28,842.13	-75.97
SHENZHEN B	1,168.94	-0.41
DOW	34,479.60	-276.79

DAILY DIGEST

Enterprise Singapore's Food Delivery Booster Package, which partly defrays delivery costs for food and beverage businesses, is being extended by a month till July 15. **TOP STORIES / 2**

Mainboard-listed SIA Engineering Company is eyeing expansion in the engine services business in the post-pandemic recovery. **COMPANIES & MARKETS / 6**

For the five trading sessions from June 4-10, the STI ended 0.1 per cent lower, taking its total return for the year to June 10 to 13 per cent. **COMPANIES & MARKETS / 9**

Britain's hospitality industry is increasingly desperate to fill vacancies after a double hit from Covid restrictions and Brexit rules on hiring foreigners. **REAL ESTATE / 14**

The economic gloom is lifting so fast in the United Kingdom that even sceptics are warming to the pound. **BANKING & FINANCE / 15**

Gold will continue to be a significant proportion of global central bank reserves, despite more countries moving towards fintech innovation and digital currency and payments. **INDUSTRY / 17**

The world's emergence from the pandemic is set to unleash a wave of spending by older consumers, with increasing opportunities for investors in ageing-linked stocks. **INDUSTRY / 17**

ELECTRIC VEHICLE PUSH

EV agenda draws various sectors vying for slice of the pie

EDB has identified mobility as a potential growth sector, creating job opportunities

By Kelly Ng
kellyng@sph.com.sg
@KellyNgBT

Singapore

SINGAPORE'S push for electric vehicles (EVs) has lured companies from a myriad of sectors, from renewable energy to electronics and payments, eager to get a foot into the ecosystem.

While EVs are widely seen as an environmental asset, their economic imperative must also be examined.

In its most conservative scenario, the International Energy Agency estimates that the global EV stock, excluding two- and three-wheelers, will expand from about eight million in 2019 to close to 145 million by 2030, corresponding to an annual average growth rate of close to 30 per cent.

A June 2021 report by Fitch Solutions forecasts EV sales in Singapore growing at an average of 40 per cent year-on-year over 2022-2030 to reach a penetration rate of about 10 per cent of total vehicle sales.

The Economic Development Board's (EDB) has identified mobility as a "potential growth sector". The adoption of EVs and autonomous vehicles will create job opportunities and benefit adjacent industries already well-established here, such as the semiconductor and ICT sectors, said EDB executive vice-president Tan Kong Hwee.

"Singapore's proximity to the markets in Asia will also enable companies to capture regional growth and in turn create more opportunities for Singapore and Singaporeans," he added.

Professor Subodh Mhaisalkar, executive director of the Energy Research Institute at Nanyang Technological University (ERI@N), thinks EVs spell a new dawn for Singapore's clean technology sector.

"There are similar building blocks as well as similar platform technologies that can be used from transport and could be used for industrial applications," he said.

For instance, the platform used in an EV's battery management system can also be used on a harbour craft or in air transport applications, resulting in economies of scale, he explained.

"There will also be economic benefits in terms of jobs, and so on. This, for me, is a clean tech industry. (Singapore) could be seen as a model of how it would work," he said. He noted how the country's Green Mark scheme to promote energy-efficient buildings has also been adapted by other countries in Asia.

> Analysts suggest that Singapore-listed tech manufacturing stocks that have relationships with auto customers will benefit from the growing industry.

Companies in the energy sector, too, have jumped on the bandwagon. Charge+, which offers ultra-slim EV chargers, is solar energy provider Sunseap Group's foray into the sector.

Charge+ chief executive Goh Chee Kiong noted the potential of capitalising on the growing demand for sustainable solutions as a whole.

"The fact that our mothership is Sunseap is very beneficial. We often see the same landlord who has used renewable energy saying, 'Shall I also look at EV charging?' The synergies are tremendous. Landlords are not seeing sustainable measures in isolation," Mr Goh said.

Charge+ is developing a proprietary ultra-slim alternating current charger with dual charging points designed for plug and play at existing car parks. It previously announced plans to install 10,000 EV charging points across Singapore in the next decade. That target has since been revised upwards, with the new figure to be announced.

BT reported earlier this month that manufacturing firms, too, are looking to tap the fast-growing sector. Taiwan's Foxconn, for instance, intends to leverage its expertise in automotive and smartphone component manufacturing to manufacture EVs. Analysts suggest that Singapore-listed tech manufacturing stocks that have relationships with auto customers will benefit from the growing industry.

In Singapore, electric distribution business Lim Kim Hai Electric is another example of an entity in an adjacent industry vying for a slice of the EV pie. "We were initially already doing electrical materials distribution. We have a good client base across commercial and industrial sectors, so moving into EVs is quite a natural extension," said Francis Pan, the company's general manager.

Lim Kim Hai Electric has been working with the likes of local payments startup Beep and global manufacturing company ABB to present a "total EV proposal" to existing customers, Mr Pan said.

Beep is an example of how the push for EVs presents business opportunities even to sectors outside transport or mobility. The Singapore startup, incorporated in 2018, began its journey in the vending industry.

Beep was the brainchild behind the platform for Temasek's mask and hand sanitiser distribution programmes amid the Covid-19 pandemic. Now, the firm has set its sights on the EV marketplace and is working with charge point operators across Asia Pacific to roll out backend technology and payments platforms.

"The good thing about South-east Asia is that it has a very established QR infrastructure which we can tap on," said Terence Tan, Beep's head of growth and e-mobility.

Beep's research shows that some 300,000 charging stations will be installed across the region over the next three years. But the current charging landscape is fragmented, with users having to meddle with a dozen different apps, he said. Beep wants to solve these issues.

Mr Tan and Lim Kim Hai's Mr Pan both noted how wider adoption of EVs could change lifestyles, hence presenting other opportunities.

For instance, charging stations, including current petrol stations, could expand to include more shopping and food options as drivers may linger while waiting for EVs to be charged, Mr Pan said. Charging times depend on various factors, including the size of the vehicle, battery type, and speed of charging point.

Mr Tan added that shopping malls are another sector that can capitalise on this. "Maybe in the future, a mall owner could incorporate a simple plugin into the existing rewards app, and let consumers exchange rewards for free EV charging in the mall," he said.

Despite the host of economic gains, it would be hard to place a value on the benefits of electrifying road transport, not least in view of the attendant health and environmental benefits – even as some have said that EVs alone are not yet the panacea for climate change.

As ERI@N's Prof Mhaisalkar put it: "How do you project an economic value to improvements in public health? I think there are other benefits that are critical but cannot be put through a particular economic analysis."

How much of a threat are EVs to oil giants and neighbourhood mechanics? Page 2

First plug-in hybrid car signals strategy shift at Lexus, Page 5

A journey of fits and starts

2009	Singapore sets up task force to assess costs, benefits and feasibility of EV adoption.
2011	Singapore becomes one of the first cities in the world to test EVs at a systems level.
2014	Task force announces plans to trial car-sharing programme with up to 1,000 EVs.
2016	A S$15,000 levy is slapped on the first Tesla vehicle to hit Singapore roads, catching the attention of Tesla chief Elon Musk.
2018	Musk criticises Singapore for being unsupportive of EVs.
2019	Then-Minister for the Environment and Water Resources Masagos Zulkifli retorts, saying Tesla's EVs are about "a lifestyle", while Singapore is interested in "proper solutions that will address climate problems". He also cites difficulties developing adequate charging stations here.
2020	Deputy Prime Minister Heng Swee Keat says in his Budget speech that after considering evidence more carefully, the authorities are henceforth "placing a significant bet on EVs".
2021	In the Republic's widest push towards EVs yet, the Singapore Green Plan sets ambitious goals – for all new car registrations to be cleaner-energy models from 2030, and 60,000 charging points to be built by the same year, more than doubling the target set a year ago. S$30 million will also be set aside in the next five years for a slew of EV-related incentives.

Compiled by BT

BANKING

More Singapore top bankers could fly to HK as business travel curbs ease

By Vivien Shiao
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Singapore

MORE Singapore-based senior bankers could potentially hop over to Hong Kong for business, spurred by the recent exemptions from the city's lengthy quarantines, say industry watchers.

This comes as the Greater Bay Area is set to be the next battleground for local banks' expansion plans, with Hong Kong seen as a key gateway.

Late last month, Hong Kong announced that fully vaccinated senior executives at financial institutions licensed by its Securities and Futures Commission can apply to travel in and out of the city without any need for a 21-day hotel quarantine, paving the way for them to carry out business upon landing.

Currently, most people arriving in Hong Kong must isolate in a hotel for 14 or 21 days upon arrival. Only fully vaccinated travellers coming from "low risk" countries who tested negative for Covid-19, including Australia and New Zealand, can qualify for a seven-day hotel quarantine.

That said, each financial company can seek exemptions for only four executives entering Hong Kong per month, comprising two visitors and two returning from elsewhere. Visiting executives must also comply with stringent rules – successful applicants can only leave their accommodation to attend approved activities stated in the trip itinerary.

DBS, UOB, Standard Chartered, Citi, and UBS declined to comment on whether they intend to increase the frequency of business travel to Hong Kong.

As for OCBC, its head of operational risk management Patrick Chew said that all employees for now will be allowed to travel internationally for "business-critical purposes only", such as closing contracts and special investigations that are time-critical.

Analysts believe that bankers here will welcome this initiative after more than a year of flying restrictions on the back of Covid-19 and the deferment of the Singapore-Hong Kong air travel bubble.

Andrea Choong, banking analyst at CGS-CIMB Securities, said: "We do think that the recent exemptions to Hong Kong's quarantine will incentivise more business travel for executives from Singapore-based banks."

With the three-week quarantine scrapped in Hong Kong, these executives will only need to serve a seven-day stay-home notice upon their return to Singapore – "a more manageable time period to be physically away from business operations, in our view", she said.

"The postponement of physical meetings, if need be, by seven days due to the stay-home notice will likely not be deemed too excessive," added Ms Choong.

Likewise, Kevin Kwek, managing director and senior banking analyst at Alliance Bernstein, concurred that the option to travel into Hong Kong without quarantine will likely be utilised by bankers here.

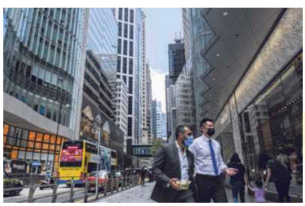
"Already, some very senior executives have been travelling to Hong Kong despite quarantine requirements," he said.

"All three local banks have significant hopes for the Greater Bay Area, and a lot of mainland Chinese companies remain active in Hong Kong, so increasingly there will be reasons to do business in person."

Among recent moves by local banks to double down on the region is DBS' recent acquisition of a substantial stake in Shenzhen Rural Commercial Bank. Meanwhile, OCBC's chief executive Helen Wong had reiterated during its annual general meeting at end-April that Greater China is an area of focus, and that the bank sees "a lot of potential" in the Greater Bay Area on all fronts. Both DBS and OCBC have significant operations in Hong Kong.

However, Ms Choong does not think there is any real urgency for bankers to rush to Hong Kong to acquire new clients just yet.

"While Singapore banks have placed greater emphasis on growth in the Greater China region of late, this focus has long been built up over the years," she said.



Analysts believe bankers in Singapore will welcome Hong Kong's quarantine exemptions after more than a year of flying restrictions and the deferment of the Singapore-Hong Kong air travel bubble. PHOTO: BLOOMBERG

"As all three local Singapore banks have spent years setting up their operations there, we do not think that there is added pressure for Singapore-based personnel to onboard new Hong Kong-based China clients."

Even with the latest changes in quarantine exemptions, some HR consultants still think that bankers will be cautious in their approach, amid the ongoing pandemic.

Paul Newell, business director at Hays Singapore, said he has not seen a trend among its banking clients for increased business travel even with the easing of restrictions in Hong Kong.

"Most organisations we work with are advising their staff to avoid all but essential travel given the dynamic nature of Covid-19 restrictions," he said. "Most businesses we work with are relying on local teams or virtual interactions, where possible."

David Leong, managing director of HR consultancy PeopleWorldwide, pointed out that bankers here need not necessarily have to travel to Hong Kong to acquire new business.

With Singapore's reputation as a safe haven and with clients seeing the need for diversification, many of these overseas clients are "pushing to come through to Singapore", he said.

He also pointed out that with advances in technology, banks can already onboard clients digitally, including the Know-Your-Customer (KYC) process. This makes travelling more of an option rather than a "must have", he noted.

"Of course in a typical Covid-less situation, meeting and shaking hands and warm exchanges will warm up the deals," he said. "Today, they are mostly avoided and there are processes put in place to conduct KYC online and through other validations and verifications."

However, analysts such as Ms Choong still believe that face-to-face interactions are key for major deals such as mergers and acquisitions and partnership agreements.

"In our view, face-to-face interactions are still key to business growth for more complex transactions or for less digitally-savvy pockets of the population until digital banking becomes the de facto way of banking," she said.

Last Thursday, Singapore and Hong Kong said that talks to review their delayed plan for a travel bubble will resume in early July.

Additional reporting by Natalie Choy

THIS WEEK'S TOPIC

What will be the impact, if any, of China's new policy to allow couples to have up to three children?

Not as simple as one, two, three

Victor Mills
Chief Executive
Singapore International Chamber of Commerce

The impact will be minimal. History teaches us all attempts at social policy or legislation to increase birth rates never produce the hoped-for results. The lessons are clear at least from the time of the Emperor Augustus of Rome through Singapore's and China's social policies. Economic progress, enabled by access to education for men and women, results in growing affluence and changes human aspirations. It is not just joint careers that matter. The increasing costs of bringing up children combine to reduce birth rates everywhere. China is no different. Automation and robotics will have to take up the manpower slack everywhere.

Jeffery Tan
Group General Counsel and Chief Sustainability Officer
Jardine Cycle & Carriage

Early indications in China's social media suggest that this new policy will not be embraced with enthusiasm. Social mores are the result of cultural socialisation carried out over time, and are difficult to change with the stroke of a policy pen. The success of China's one-child policy over the last 40 years, with its attendant penalties and disincentives for non-adherence, will make the reversal a monumental task. Perhaps the lesson to be learnt is that moving from bigger families to smaller ones is like water flowing down a stream. In contrast, reversing it will be much harder and is akin to salmon swimming upstream to spawn – a combination of will, determination and an instinctive need to reproduce.

Lawrence Loh
Director, Centre for Governance and Sustainability
NUS Business School

It will take more than a national policy to enhance birth rates. China is now in a critical transition. We can also look at the relevant experiences in Asia, particularly Japan, Singapore and South Korea. There is a confluence of economic and social factors that will be more critical to create a conducive environment. On a practical level, birth decisions will depend on financial affordability, housing availability, work practices and community support. While the joy of parenthood is most fundamental, the priority is to create the favourable broader conditions. If these are in good alignment, the birth rate will take care of itself.

David Sandison
Singapore Practice Leader
Grant Thornton Singapore

"You can lead a horse to water, but you cannot make it drink." Many more factors are at play: affordability, women's job protection, the Gen Z "laying flat" mentality – no marriage, no mortgage, no kids, et cetera. Add to this the taste of state control. Why not just remove the limits, leaving those who can afford or want children, to "get on with it"?

China's not alone in trying to boost birth rates. Here at home, Singapore has one of the highest life expectancies in the world, and one of the lowest fertility rates. If you have a child, even today, it will not become an economically producing unit for 20 years. It's worth us taking a deeper look at the elephant in our own room.

BT ILLUSTRATION: SIMON ANG.

Choe Peng Sum
Chief Executive Officer
Pan Pacific Hotels Group

With its low fertility rate of 1.3 children per woman in 2020, China is facing an inverted age structure, similar to Japan, South Korea and Singapore. It bears the risk of fiscal sustainability with higher welfare cost, a declining workforce and tax revenue, as well as pressures on the social-economic structure with potential needs for immigration and lifestyle changes.

The new policy is crucial to helping the country reach its healthy replacement level of 2.1. This has direct impact on its continued leadership position as a key global economic power with a sizable, increasingly affluent market.

Success will depend on the government's commitment to provide the right support and incentives to the younger couples, who have already reflected high inertia in the initial polls.

Chia Ngiang Hong
President
Real Estate Developers' Association of Singapore (REDAS)

The shift to a three-child policy in itself is not expected to have any immediate significant impact. More comprehensive measures like pro-birth policies and benefits, robust effort to change values and mindsets, pro-family infrastructure, legislation to promote gender equality, et cetera, will be needed to meaningfully shift the needle over the longer term. Such policy shift is nevertheless an important signal and will allow many thousands of families to have three children if they wish. This pivotal change may gradually set China on a sustainable path to respond to the challenges of population ageing and decline, and develop human capital to sustain its long-term economic growth plan as well as better respond to political and environmental challenges.

Dileep Nair
Independent Director
Thakral Corporation Limited

No country has ever been able to reverse a decline in fertility rate once it has fallen below 1.5. China faces this challenge, having a current fertility rate of 1.3. While many Chinese have welcomed the new three-child policy as a step in the right direction, they point to the much bigger problems of exorbitant childcare costs, lack of affordable housing and discrimination against childbearing women; that puts people off having more children. Some economists suggest offering sizeable cash incentives, totalling as much as 10 per cent of China's gross domestic product (GDP), to boost the birth rate. Unless China makes the bold economic and social policy changes to create a more family-friendly environment, the new three-child policy will have limited impact in averting the looming double whammy of an ageing population and a shrinking workforce.

Andrew Naylor
Head of ASEAN and Public Policy
World Gold Council

Most countries are dealing with demographic challenges, in particular declining birth rates and ageing populations. The inter-generational transfer of wealth that provides the financial means to provide a good standard of living for the elderly comes under increased pressure. It is no surprise that China's leaders want to boost population growth. But while population increases lead to overall GDP growth, it does not mean that average standards of living will rise.

Simple GDP targets should be replaced with "standard of living" targets. Government incentives to increase birth rates aren't a sustainable answer – we should be looking at other levers including increasing productivity through technological advancements and making our pension systems more sustainable in the longer term.

Helen Ng
Chief Executive Officer
Lock+Store

China's problems are not unlike Singapore's – an increasingly educated, mobile and restless workforce with more disposable income than the previous generation. While the previous generation wanted to have more than one child, the reverse is true of the current generation. The issue is not whether couples should be allowed to have up to three children, but whether they want to have children in the first place.

Toby Koh
Group MD
Ademco Security Group

The new three-child policy will certainly slow the inevitable declining population issue. Incentives will be progressively increased to encourage childbirth and alleviate the cost of raising a child. The Chinese government has shown that they are prepared to support major policy changes with concrete steps and investment, as shown in levelling up their local firms in the global technology race. I do not believe the economy will be impacted greatly, if at all. China will deploy more robots, automation and cutting-edge technology, thereby increasing output, coupled with growing software systems capabilities, and this will increase their GDP per capita into the future.

Maren Schweizer
Chief Executive Officer
Schweizer World Group

China's pivot to a three-child policy won't make a dent in its declining birth rate because most of the country's young couples don't want kids. It may be financial considerations, a "9-9-6" (9am-9pm, six days a week) working style with little time, or purely the pleasure of a DINK (dual-income, no kids) lifestyle.

Investing highly in a small number of children is more important in China than having more kids with diluted resources for each of them. With the new policy in place, it's reasonable to expect more pressure from family to have more children in view of the traditional wish for a male descendent.

The policy is certainly a step in the right direction to rejuvenate the ageing population and mitigate its associated challenges, but still a bit timid.

David Kuo
Co-founder
The Smart Investor

A falling population coupled with rising life expectancy means the proportion of people who are economically active falls. The growing elderly population will put more stress on an economy as many people do not save nearly enough for their retirement because they can't afford to do so. Consequently, the people who are working today are somehow supporting those who are retired. This pyramid is not sustainable when there are fewer people contributing and more people taking. But China is pushing on a piece of string by interfering in reproductive rights through its three-child policy. There are better ways to achieve the same result.

Dora Hoan
Chief Executive Officer
Best World International Ltd

The immediate impacts of China's new three-child policy on the country's looming demographic crisis, as well as on corporate fundamentals, should be limited. In China, like most other countries, the root cause of the declining birth rate is often not entirely affected by policy restrictions, but by the high cost of living and childcare.

However, with appropriate supportive measures in the long term, the policy shift could be able to mark the beginning of changes in social welfare, healthcare, workforce, and retirement in the country. Moreover, this should also indirectly boost the business sectors, such as childcare centres, education, baby products, and toy markets.

Lim Soon Hock
Managing Director
PLAN-B ICAG

There appears to be a correlation between economic growth and population growth. China – which has developed rapidly since the 1980s – is now facing the same challenge as many developed countries like Singapore, South Korea, Japan, et cetera, with a total fertility rate significantly below the replacement rate of 2.1.

China's new generation has different aspirations, placing careers and independence over marriage and family. This is further compounded by more economic independence enjoyed by women, who are better educated. They do not want to sacrifice the good life they have tasted in the last two decades. These all partly explain why the two-child policy did not work as planned, and it can reasonably be expected that the new three-child policy would likely face the same fate.

It would appear that the age-old Confucian belief of placing value on the family in China has been under threat for some time now. It will take something revolutionary beyond cost incentives and the appeal of traditional values to reverse the declining trend.

Mario Singh
Chief Executive Officer
Fullerton Markets

China's story is similar to Singapore's. China ran a one-child policy for almost 40 years before replacing it with a two-child policy in 2016 and now to three. We had a two-child policy which ran for 15 years from 1972 to 1987. We then implemented the baby bonus scheme in 2001.

China's results (like Singapore's) will be muted at best because there are three deeper issues that need to be addressed before we see sustainable impact. Firstly, support measures. China needs to ensure their support measures (including lower educational costs and housing support) are strong attractions for the people. Secondly, workplace policies. China needs the support of employers to ensure that gender discrimination does not become rife in the workplace so that working mums can take appropriate maternity leave.

Finally and most importantly, socio-cultural forces. After decades of strict one- and two-child policies, certain narratives would have become deeply entrenched within the people, not least the stigma against large families. These notions have to be reversed and it won't be easy.

David Leong
Managing Director
PeopleWorldwide Consulting Pte Ltd

China's one-child policy was systemically enforced and had over-swung with the opposite effect. In 2016, China replaced its decades-old one-child policy with a two-child limit hoping to stymie the fall rate, but by then lifestyles and habits had changed. With cost-of-living concerns and lack of housing as social causes, younger Chinese choose not to have children. The spectre of a dwindling and aged workforce looms. Simple math shows that a child is supported by six (two parents and two pairs of grandparents). The 1:6 ratio will also mean that the social structure in the future will be one working adult supporting up to six aged persons. Of course, this is an oversimplified back-of-envelope illustration, but it's enough to send chills to the policy-makers.

The government intervention with a three-child provision is to swing the other way to shift the demographic trend. Population contraction is a syndrome that affects all developed countries including Singapore.

Jeffery Tan
Group General Counsel
Chief Sustainability Officer
Jardine Cycle & Carriage

The simple response is an emphatic "YES!"

The grant of patents is based on two fundamental pillars: The first is the sharing of knowledge for the collective benefit of the larger global community. The second is an economic reward system to secure financial returns on innovation efforts, in this case, the pharmaceutical companies that developed the Covid-19 vaccines.

In waiving the patent rights, patent holders are not denied their economic rewards: This is only reduced, as others are allowed to benefit from a royalty-free usage of the patent to fight this unique global pandemic.

If ever there was a time when the collective benefit of the world should take precedence over the individual economic interests of corporations, it is now. Afterall, to whom much is given, much will be required.

Deborah Elms
Executive Director, Asian Trade Centre
President, Asia Business Trade Association

Waiving patents on vaccines produces two bad outcomes.

First, it will fail to provide critically needed shots any faster for Covid-19. This is because the obstacles to greater production and distribution are much larger than simply an inability to obtain the "recipe" for making vaccines.

Second, it will create serious problems for the next pandemic when the world is begging pharmaceutical companies to innovate faster than ever before. Such innovation is costly and includes diverting resources from other uses to create promising vaccine candidates. Breaking patents reduces incentives to invest for the next crisis, as firms that watched profits plunge will be much more hesitant to act in the future.

The solution is not to seize patents but to engage in better public-private collaboration to manufacture and distribute vaccines. This requires governments in wealthy markets to sacrifice some health benefits for their own citizens to protect those in less fortunate circumstances. Ultimately, no one is safe until we are all safe.

Maren Schweizer
Chief Executive Officer
Schweizer World Group

Special situations require special moves. Nevertheless, we should not open Pandora's box of a patent waiver for whatever reason, as IP protection is a hard-earned value that businesses – and their employees – rely on.

There are other ways to give low-income countries speedy access to good vaccines. Wealthy countries could provide WHO additional funds to ramp up additional capacities and sell vaccines at an affordable price to countries in need.

Furthermore, the protection of intangible assets is a prerequisite for a connected world and accounts for as much as 85 per cent of total business value across industries. With accelerated digital transformation, this value will increase further, becoming a significant driver of business success.

Tan Mui Huat
President and CEO, Asia
International SOS

A temporary waiver of patent rights would help ensure greater access to Covid-19 vaccines, especially in countries that are battling new waves of the virus and are facing a shortage of vaccines.

Nonetheless, this waiver might be confined to inactivated vaccines like Sinovac and Covaxin as the technology and raw materials required for mRNA vaccines may not be as readily available outside of Europe and the US.

Such a waiver must also come with the necessary knowledge transfer and undertaking of strict compliance to vaccine production standards and accountability. If vaccines are produced without adequate oversight, we might face new issues of false or contaminated vaccines that could do further harm.

Ultimately, there is no doubt that unfaltering global cooperation and collaboration is necessary in ensuring equitable and ready access to vaccines – which is critical for us to overcome this pandemic as a united community.

S Nasim
Group Executive Chairman
Meinhardt Group International, Singapore

Covid-19 is unarguably a pandemic of unprecedented scale and complexity. The world needs to understand it will not go away until it is eradicated from all parts of the world. A global effort is required to fight this pandemic.

It is in the interest of the developed countries to make vaccines available to poor countries in tandem with the rich. Clearly, there are practical limitations of production capacity in the countries which own these patents. Even if they could meet the demand, the question as to who bears the cost, remains unanswered.

It is therefore imperative to select suitable countries covering all regions where the approved vaccines can be produced quickly without compromising vaccine safety and quality.

The sanctity of patents should not apply to such situations, just as the "theory of inequality" does not apply to life and death. Patent ownership can be retained by granting royalty-free licences to these countries for a limited period until all parts of the world have been vaccinated.

Toby Koh
Group MD
Ademco Security Group

The reality is that a waiver of patent rights does not resolve the hurdle of infrastructure, know-how and safety in the production of vaccines. If the free market economy is to be upheld, then we must also believe that pharmaceutical companies globally are racing to increase production to the best of their ability in order to increase shareholder value. The other reality is that every country is looking out for themselves at this stage. The responsibility of taking care of their voters and their economy is top priority.

Despite the gaps that we have seen in Singapore over the last year, nobody can deny the fact that Singapore has outperformed many others. The value of the Singapore citizenship, residency and place for business has no doubt increased exponentially since the start of the pandemic.

Vadim Berman
Chief Executive Officer
Tisane Labs

The last thing we need is more political buzz-phrases related to Covid-19. The WHO clearly mishandled the crisis, arguably caused more harm than good, and is not exactly helping here.

That said, there is clearly a divide in the vaccination progress, and it has to be addressed. I can understand both sides of the debate. The developers of the mRNA vaccines had to go through the usual torturous path of innovation, while being distrusted and attacked by various parties. Plus, vaccines are not exactly a goldmine. But more importantly, people are dying in places where there are not enough vaccines, and economies keep getting ravaged by Covid-19.

Which is why I believe the Covid-19 vaccines must follow a fast-tracked path to generics. It does not have to be black and white. These licences can be given only to a handful of countries with a combination of manufacturing capacity and insufficient number of vaccines.

Dora Hoan
Group Ceo
Best World International Ltd

A temporary vaccine patent waiver is necessary during this epidemic. Even if it might not immediately mean better access to vaccines, it is a solution or a good effort directed to tackle the refusal of vaccine makers to license experienced drug manufacturers for expanding the production of vaccines at the scale required to cope with the pandemic.

However, a temporary patent waiver alone is far from sufficient to ramp up the global production and distribution of vaccines. It should be coupled with other efforts including seamless technology transfer, secure supply of raw ingredients and quality controls. Moreover, steps should be taken to compensate the rightsholders appropriately and to spur innovation continuously.

Bicky Bhangu
President, SEAsia, Pacific and South Korea
Rolls-Royce

Emerging from this pandemic requires a global collaborative and a comprehensive response. Initiatives such as widespread testing and vaccination are contingent upon cooperation across multiple stakeholders, including policymakers, businesses and public. We generate patents globally through open innovation collaboration; and in our key hubs like Singapore, we partner closely with government, academia and industries on numerous R&D programmes. Maintaining collaboration, enabling open shared framework, and protecting intellectual property while allowing accessibility among partners should be the priority.

The past year has also made us more aware of how much value there is in connectivity. My hope is that this endures through mutual trust, aimed at building a stronger future for us all.

Lim Soon Hock
Managing Director
PLAN-B ICAG

More of the world, be it rich or poor countries, will need to be vaccinated to rein in Covid-19 and stop its mutation on an urgent basis. We are in a race to save human lives and the urgent need to return to "normal" in the way we live, work and play. Vaccine manufacturers and other biopharmaceutical giants have a moral responsibility to help achieve this larger objective for the sake of mankind and not be shackled by commercial considerations. The deteriorating pandemic with the potential for more mutations of the coronavirus is more than sufficient as a compelling reason for these companies to be magnanimous and be a more responsible global corporate citizen.

Any short-term loss is an investment in the future business for all these companies when they make the tough but correct decision to grant a temporary waiver of patent rights for Covid-19 vaccines.

Henry Tan
Group CEO
Nexia TS Group

Given that vaccination is the only viable effective long-term remedy, Covid-19 vaccine patents should be temporarily lifted as saving lives is more important than pharmaceutical companies' bottomline or return on investment. The world will not be a safe place if there are unvaccinated pockets of the world. So, put another way, making vaccines available to poorer countries will ultimately, in return, help the economy of the richer countries. That would be a bigger return than the returns on making money from the vaccines.

David Leong
Managing Director
PeopleWorldwide Consulting Pte Ltd

The social and class divide cannot be clearer than what the statistics show. Unequal access to the vaccines is a matter of fact.

Despite the rhetorics of fairness and equality, the practices on the ground show otherwise. At the core of the arguments is risking intellectual property protection that would pose a danger to future vaccine innovation. Implicit in this is really about the lure of money since vaccine innovation must be appropriately rewarded. If we take money motives out of the equation and allow for mass production with IP protection waived, more lives can be saved. This must be the driving agenda of the manufacturers, who must not hide behind politicians to push their selfish agenda.

Covid-19 is the deadliest of all viruses. The big pharma giants can be rewarded for their innovations and investments for their other inventions and no one will cry foul. But with thousands upon thousands of Covid-19 deaths everyday and they are still clinging to their patents and rights to profits; this is outrageous.

Saving lives must be deemed the overriding priority above all else.

Zaheer K Merchant
Director
The QI Group of Companies

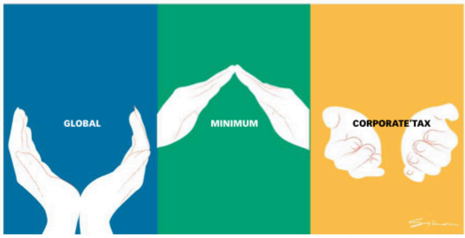
I personally view the reasons given by pharma entities for not waiving patent rights as understandable excuses based on business logic. But the alternatives that exist have not been dealt with, depending on whether we are dealing with viral vectors or mRNA. These range from technology pooling (where public/private collaboration in less developed countries can massively help every stage of the supply chain from infrastructure to economic advantage and yet achieve its objective), ramping up supply from source material to finished product, and reduced patent costs for scale.

So clearly patent waiver is a requirement alongside other available options. The real issue is whether there is the will to benefit endeavours such as Covax and by extension, help poorer and developing countries from the pandemic ravage. Or to just beggar thy neighbour.

THIS WEEK'S TOPIC

As a business leader, do you support the idea of a global minimum corporate tax rate?

One size may not fit all



BT ILLUSTRATION: SIMON ANG

Yeoh Oon Jin
Executive Chairman
PwC Singapore

As a business leader, I am not in favour of a global minimum corporate tax rate. I believe that focusing on finding an economically sound and principled framework that offers a holistic and robust solution in the longer term should be the basis of any reform, rather than being overly fixated on a minimum rate. A tax system that is aligned with value creation will be more sustainable in light of technological advancements and changes in business models. Such a system will minimise distortion of capital flows and sub-optimal allocation of scarce resources, and will go further in helping to achieve the objectives of curbing base erosion while promoting fairness in cross-border digital taxation.

Sandra Lee
Chief Executive Officer
BMS Group Asia

A global minimum corporate tax rate is a logical next step in the battle against base erosion and profit-shifting. If it were to be implemented, its success would depend on whether participating jurisdictions are aligned on matters such as definitions, thresholds and avoidance of double taxation, among other things. Achieving such an alignment could be difficult due to the sheer number of jurisdictions involved and their respective interests. Further, many multinationals are already dealing with an extremely complicated international taxation system and the tax risk environment has never been more challenging. It would therefore be vital to ensure that a new system does not add more complexity and uncertainty.

Ben King
Country Director
Google Singapore

International tax reform is not an easy task, but remains a critical one. As the world economy seeks to recover from the pandemic and countries face new fiscal challenges, an agreed solution is needed more than ever to ensure a better distribution of tax income that in turn will promote more cross-border trade and investment. If governments work together, more taxes can be paid where products and services are consumed, in a coordinated and mutually acceptable way. Corporate income tax is an important way companies like ours contribute to the countries and communities we operate in, and we strongly support the development of a comprehensive international tax framework for how multinationals are taxed that people find reasonable and appropriate.

Alain Esseiva
Chief Executive Officer
Alpadis Group

I believe that tax rates are best left to individual nations to manage and set for themselves. Competition between countries comes in many forms – including through tax rates – and so the ability to create a competitive advantage through taxation should be allowed. I do understand why some countries would push for a global minimum corporate tax rate, especially in the globalised world that we live in. However, as mentioned, there are many ways to create a competitive advantage, such as establishing a safe and stable business environment, investment into education and infrastructure, among other things. Low taxes are just one of many reasons companies choose to make a country their home, and there is no guarantee that a global minimum tax rate will benefit those that are pushing hardest for it.

Ong Pang Thye
Managing Partner
KPMG in Singapore

A discussion on a global minimum tax rate is more than just about the bottom line. The amount of additional tax revenue that could come in is estimated at US$100 billion. Countries that benefit from the minimum tax, especially the developed economies, will have more funds to channel towards uplifting individuals facing social and income inequalities as well as to build infrastructure to strengthen economies and save jobs. However, there might be challenges in harmonising rules across uneven economies, especially if the proposed global minimum rate is set at a high level. This could lead to fiscal policy challenges for developing nations looking to offer incentives that can attract foreign investments to stimulate economies and generate new employment opportunities. One possibility is to peg the agreed minimum tax at around 12.5 per cent – this should allow some flexibility for developing economies to use fiscal policy as an economic lever.

Lawrence Loh
Director, Centre for Governance and Sustainability
NUS Business School

Imposing a minimum corporate tax rate may actually backfire. It makes countries levying such taxes even less competitive as the costs of doing business will increase. These costs may be passed to the final consumers who will make fewer purchases. Corporate revenues will be hit. Collectively, the economy can weaken and this may result in even less taxes collected from corporations and even individuals. In the long term, if the companies cannot optimise their taxes globally, they may well move their entire operations totally away from the countries of origin. The minimum corporate tax rate will be "lose-lose" for all. Instead of increasing taxes, how about trying tax incentives?

Victor Mills
Chief Executive
Singapore International Chamber of Commerce

The old saying that there are only two certainties in life – death and taxes – has wrung hollow when it comes to corporate taxes in recent decades, particularly if you are a government. Too many companies have taken advantage of tax arbitrage to avoid paying higher rates of tax in countries where they derive income. This unfettered capitalism is unjust, unequal and does not make for good corporate citizenship or happy communities. Companies should be given the choice: either pay a global minimum tax rate everywhere, or pay the full corporate tax rate in the countries where they derive income.

Max Loh
Managing Partner, Singapore and Brunei
Ernst & Young LLP

Corporate tax is a significant cog in overall fiscal policy as governments balance revenue and spend to, inter alia, drive economic growth, employment, social development and price stability. While there are concerns over leakage with unduly low corporate tax rates, healthy competition can encourage better outcomes such as spurring innovation and economic growth. The key is finding the right balance. Many developing and small countries necessarily use tax incentives to attract foreign direct investments, given their lack of resources and talent to compete with large developed nations. Having a global minimum corporate tax rate thwarts those ambitions somewhat. Accordingly, certain carve-outs and exceptions to the global minimum tax rate may be warranted in relation to non-harmful tax incentives that are granted on a targeted basis. Ultimately, it is not as simple as winning a "race to the bottom" in terms of tax rates; tax is important, but just one of many factors that investors consider in capital allocation decision-making.

David Kuo
Co-founder
The Smart Investor

A global minimum corporate tax rate has been proposed to stop countries from unfairly attracting foreign capital by creating tax-havens. It is hoped that it would prevent a 30-year race to the bottom on corporate tax rates. The Organisation for Economic Co-operation and Development (OECD) suggests a rate of 12.5 per cent; the US prefers 21 per cent. But who's to say that either is right? Why should any jurisdiction, particularly those that use tax dollars prudently, be made to pay the price for those that are profligate? To paraphrase Winston Churchill: To think you can make a man richer by putting on a tax is like a man thinking that he can stand in a bucket and lift himself up by the handle.

Shahzad Nasim
Executive Chairman
Meinhardt Group

It is paradoxical that countries that otherwise profess "free markets doctrine" are pushing to impose a global minimum corporate tax. This is clearly designed to level the playing field for themselves.

There is no such thing as "one size fits all". Such impositions will certainly not help the corporate sector to recover from the deleterious aftermath of Covid-19 that is lasting longer than anyone thought it would.

There is little logic in trying to impose a global minimum corporate tax on countries that have developed successful business models that are nimble, efficient and work for them, only to serve the interests of those that, instead of trying to be more competitive themselves, are forcing others to become less competitive. What is the future for free markets then?

Chia Tek Yew
Vice-Chairman of Singapore
Oliver Wyman

A global minimum corporate tax rate will not be the silver bullet to prevent a race to the bottom or relocation of companies to offshore locations. From a tax angle, corporates look at the effective tax rates in play – this could be the corporate tax adjusted for tax reliefs, research and development (R&D) grants, and other government incentives to attract foreign investments. However, it is also clear that corporates are attracted by non-tax factors such as political stability, clarity of long-term governmental positions on matters such as taxation and labour laws, protection of intellectual property, availability of funding, human capital and talent, and so on. It is fortunate that the Singapore government has developed and maintained our competitiveness in both tax and non-tax factors such that the impact of any externally imposed global minimum corporate tax rate would, I believe, be manageable.

Jeffery Tan
Group General Counsel
Chief Sustainability Officer
Jardine Cycle & Carriage

A global minimum tax rate is key to levelling the current differing tax playing field across jurisdictions. The aim is to have a fair sharing of the burden of financing government – essentially giving all governments a fair shake at corporate tax revenues in an internationalised economy. To achieve this desired outcome, international cooperation and transparency in reporting and monitoring corporate incomes will be essential.

The challenge is in the details and implementation. It is a highly technical and complex area that requires several key issues to be resolved, including overcoming resistance from tax havens and corporate behemoths and, in particular, how best to keep a check on exploitation of new loopholes that will certainly emerge.

Achieving the objective will require global cooperation and collaboration. It will, in effect, be a boost to multilateralism on a challenge that has eluded a solution for decades.

Veronica Shim
Founder & CEO
Envysion Wealth Management

The idea of a global minimum corporate tax is more of a political issue, and begs the question of whether the countries supporting it have gotten their fiscal policies right. There are many wrinkles that need to be addressed – and there is also no such thing as a truly global policy. For one, developing countries will not support the idea, which will create incentives for companies to set up base in these countries such that the overall tax burden will be offset by the benefits and market potential. Implementation and enforcement will not be easy and will merely serve to drive up costs, not only for the companies but the governments as well. A better way forward would be to relook at the overall schemes and current fiscal policies, and to determine the environment that will incentivise companies to operate and pay their fair share of tax.

Frankie Chia
Managing Partner
BDO LLP

There is still a long way to go for the G-20 and OECD countries, let alone all the world's economies, to agree on a workable global minimum tax rate. With increasing digital globalisation, it is critical for the global economy to implement sustainable tax systems where multinationals pay their fair share of tax in the respective countries in which they operate; a fair and equitable system must evolve and stay relevant with economic trends. A flat minimum tax rate may not be the best solution. For instance, family offices have chosen to situate their bases in Singapore for its stable financial and political environment as well as competitive tax regime. Regardless of changes to the tax regime, Singapore should capitalise on its head start by developing and promoting its non-tax factors to remain competitive and attractive to multinationals.

Mark Billington
Managing Director International
ICAEW

The rise of globalisation and intangible capital in recent times has made taxing multinational corporations (MNCs) increasingly difficult and complex. While a corporate global minimum tax rate would not be a panacea for all harmful tax practices including corporate tax avoidance and evasion, it is critical in helping economies capture revenues which are lost to tax havens. This puts a strap on under-the-table tax-minimising strategies and delivers more sustainable finances to governments, as they recover from the adverse effects of the pandemic. Amid an accelerated digital future, the OECD needs to work closely with its members to agree on an approach for taxing cross-border digital services while also looking into potential alternatives or reforms that balance companies' incentives for growth. It will not only make it easier for businesses to comply with these rules, but also hold them accountable to a set of holistic and standardised profit reporting requirements.

Dileep Nair
Independent Director
Thakral Corporation Limited

Taxes are normally anathema to business. Perspicacity, though, shows that taxes are an essential part of the economy with corporate taxes forming a major portion of government revenue to fund social programmes and public investments. So long as they are kept at a reasonable level, taxes can actually encourage the development of the private sector and the formation, as well as functioning of businesses. However, to lure MNCs that are a source of foreign direct investment (FDI), nations embark on a "beggar-thy-neighbour" tax competition. This hurts developing countries in particular. Having a global minimum rate as recommended by the United Nations (UN) panel of experts is therefore sensible. The crux, of course, is setting the rate. Hopefully, with leadership from the major economies and an enlightened mood of cooperation, some agreement can be reached.

Maren Schweizer
Chief Executive Officer
Schweizer World Group

It is an idea whose time has not come. In economic theory, it might work; in the real world, it might not. A global minimum tax rate could empower countries seeking to undermine the liberal international order. Certain countries will likely fight tooth and nail to stay out of any global minimum tax regime.

Firstly, we should not risk achievements in multilateralism. Members of a trade deal benefit from growing numbers of joining countries as the accessible market size increases. However, with a global minimum tax, the economic benefit to any one country staying out grows as more countries join. Non-members could potentially outcompete via lower taxes.

Secondly, many member states of the OECD have federal systems, where regional and local governments impose taxes on corporations to no small extent. This fiscal federalism typically reflects political federalism and one country's foundational political compromises. A uniform global tax at whatever level would query long-settled constitutional questions about the balance of power between central and sub-national governments.

Vadim Berman
Chief Executive Officer
Tisane Labs

As a chief executive officer (CEO), I believe that profitable businesses must give their fair share. The trouble is, a global minimal tax is likely a pipe dream. Who is going to enforce it? The OECD only includes a limited number of countries. There is certainly an advantage to being a part of it, but if it comes with strings attached like this, nobody will want to join. And there is no guarantee even existing members will comply. What happens if they do not? Are they are going to be kicked out, or reprimanded?

In the unlikely case that the OECD decides to define the minimum corporate tax, it will be a godsend for offshore tax havens, and countries that are generally less attractive in terms of doing business.

Jessica Cutrera
Managing Partner
Capital Company

I am in favour of a global standard for corporations. The usefulness of a minimum corporate tax relies heavily on how those tax dollars are utilised by governments, which is impossible to monitor and control. Clear and measurable standards for listed companies across multiple markets is a more effective method of improving governance, social responsibility and ethical behaviour. Globally there are many characteristics which can be almost universally agreed upon as best practices for companies. Issues such as child labour, dangerous working conditions and certain types of environmental impact can be targeted through a thoughtful set of global standards.

Mario Singh
Chief Executive Officer
Fullerton Markets

Three reasons why I think such an idea will fail:

Firstly, countries are not all cut from the same cloth. For example, one with abundant natural resources such as Australia would have different views and policies compared to countries with scarcely any natural resources like Singapore. The problem deepens for developing countries, where a global minimum tax rate would hinder their ability to woo foreign investments.

Secondly, the proposed idea is to discourage MNCs from shifting profits to lower-tax countries. In reality, I do not foresee that creative accounting practices from companies would stop because of a global tax rate. In fact, such a move might even exacerbate the situation.

Finally, a desirable outcome from a global minimum tax must be the network effect, where things get easier as more countries join in. In practice, countries outside the network can actually tip the scales in their favour because of lower tax rates, thereby weakening the network effect.

Hence, I think that countries should have the flexibility of pursuing tax policies that best suit their needs as a nation, especially post-pandemic.

Lim Soon Hock
Managing Director
PLAN-B ICAG

A global minimum corporate tax rate makes sense from the standpoint of tax equalisation across borders. Companies may in fact be better off when their home countries have a higher corporate tax rate than the global minimum. The issue is what the right levels and complexity of implementation are. Until these are resolved, a global minimum corporate tax rate remains ideal, and undertapped by governments to fund the new challenges of climate change and recovery from the Covid pandemic, while being outstripped by increasing cross-border digital services and e-commerce.

The launch of Central Bank Digital Currencies by more countries will be a boon for faster implementation of the global minimum corporate tax when OECD and G-20 countries can reach a consensus on the rate.

David Leong
Managing Director
PeopleWorldwide Consulting Pte Ltd

The complexity of the varied tax structures and frameworks in many countries, particularly the US, have provided leeways for tax avoidance and exposure. Owing to lower tax receipts, these countries suffer national budget deficits in unsustainable ways. Hence it is understandable that the OECD is acting out of their own interests in coordinating tax talks with 140 countries to narrow and hopefully curb tax base erosion.

Low-tax regimes such as Singapore are a magnet for overseas businesses to gravitate towards and any tax avoidance or re-routing on the part of businesses originating from US or the OECD countries would not impact Singapore directly. It may in fact incentivise businesses to shift their tax residency to Singapore.

Implementation of a unified minimum tax code may end up in some forms of accounting entanglements if these businesses operate in various tax jurisdictions.

A global minimum tax rate will impact, to a smaller degree, those whose tax residencies are in lower-tax regimes such as Singapore than businesses situated in US or OECD countries. What finally works is the efficiency, effectiveness and simplicity of tax revenue collection built on a transparent framework. An imposed additional layer of minimum global tax rate may not end up better if countries have not improved on the tax receipt and collection process.

NWC urges employers to reassess business situation

It says those recovering from Covid-19 impact should take steps to restore workers' wages

Calvin Yang
Manpower Correspondent

The National Wages Council yesterday extended its current guidelines after a meeting last month that included (from left) then NTUC deputy secretary-general Koh Poh Koon, NTUC president Mary Liew, NWC chairman Peter Seah and Singapore National Employers Federation president Robert Yap. ST PHOTO: NG SOR LUAN

All employers should re-evaluate their current business situation, with the National Wages Council (NWC) urging those that are growing, or recovering from the impact of Covid-19, to take steps to restore their workers' wages, reward them fairly through variable payments and bring forward hiring plans.

However, employers that face significant cost pressures and have exhausted various non-wage cost-saving measures can resort to temporary wage cuts if it means saving jobs, the tripartite body said yesterday when it issued an addendum to its current guidelines.

The guidelines – updated last October to advise employers how to sustain their businesses and save jobs – will be extended for five months until Nov 30 as they remain relevant amid the uneven and uncertain economic recovery, the council said.

Permanent Secretary for Manpower Aubeck Kam, who is an NWC member, said the current guidelines have the flexibility to deal with a range of scenarios.

The focus "remains on sustaining businesses, saving jobs and pressing on with business and workforce transformation", he said.

Given the evolving pandemic, the NWC, which convened last month to relook its guidelines, will meet again later this year to update them for Dec 1 to Nov 30 next year.

The high-level council, comprising representatives from the Government, employers and unions, noted that some sectors will recover faster than others.

Sectors such as manufacturing, wholesale trade, finance and insurance, and information and communications are expected to grow, but recovery for the tourism and aviation sectors could be protracted.

On the need for employers to re-evaluate their situation, NWC chairman Peter Seah said their circumstances would have changed significantly from last year. "Recovery is patchy, and different companies are facing different circumstances in their businesses."

Among other things, the guidelines – which have been accepted by the Government – recommend that employers affected by the downturn should promptly implement a flexible wage system.

This can be done by introducing a monthly variable component on top of an annual variable component for more timely wage adjustments in response to changing business conditions.

To minimise retrenchments and avoid wage cuts, they should first tap government support, exhaust non-wage cost-saving measures, and retrain and redeploy staff.

The council also called on employers to give special consideration to low-wage workers.

For instance, companies resorting to wage cuts can implement a wage freeze for low-wage staff instead, said National Trades Union Congress president Mary Liew.

The council meets every year to update guidelines on wage matters.

Last year, in a rare move, it reviewed its guidelines for a second time as the coronavirus outbreak took a toll on the labour market.

It was only the fourth time since it was set up in 1972 that the NWC was convened twice in the same year. The previous times came amid major economic crises as well, in 2009, 2001 and 1998.

The council convened in March last year to discuss how employers could sustain their businesses and save jobs. Its initial recommendations focused on reducing non-wage costs and tapping government support first.

Supplementary guidelines applicable from Nov 1 last year to June 30 were issued last October, when the NWC said that employers may implement temporary wage cuts if it means saving jobs.

Singapore's gross domestic product this year is likely to exceed 6 per cent, barring a setback to the global economy or domestic health situation.

Singapore National Employers Federation president Robert Yap said the federation is "cautiously optimistic" about this year's economic prospects. "It is timely for employers to look beyond business survival and focus on business sustainability as well."

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BEYOND SURVIVAL

It is timely for employers to look beyond business survival and focus on business sustainability as well.

SINGAPORE NATIONAL EMPLOYERS FEDERATION PRESIDENT ROBERT YAP, who said the federation is "cautiously optimistic" about this year's economic prospects.

Call to freeze rather than cut pay of low-wage workers

Employers resorting to wage cuts due to the downturn caused by the Covid-19 pandemic should implement a pay freeze for their low-wage workers instead.

Special consideration should be given to such workers during these challenging times, stressed the National Wages Council (NWC), in releasing an addendum to its guidelines yesterday.

Employers that have done well or are recovering from the pandemic can consider built-in wage increments to boost the wages of these workers, it added.

NWC intends to incorporate the recommendations of the Tripartite Workgroup on Lower-Wage Workers, which will be released later this year, into its own guidelines.

The work group, formed last October, is studying how to increase the wages of more low-income workers and improve their well-being, beyond existing measures.

The Singapore National Employers Federation said in a statement that the recommendation to give special consideration to low-wage workers ensures that they are able to "benefit from economic recovery and growth".

"In the event that their employers are still not doing well, the recommendation would then mitigate the economic impact on them," noted the federation.

It added that the ongoing pandemic has highlighted how some front-line low-wage workers, particularly those in sectors such as cleaning and security, have been working longer and harder to keep the country safe and healthy.

National Trades Union Congress president Mary Liew also urged employers to pay their staff an annual wage supplement, as this would go towards retaining talent and better position firms for recovery.

The annual wage supplement "will also help our workers during this challenging period with their seasonal expenses, and this is especially helpful for our low-wage workers", she added.

Calvin Yang

The pandemic has highlighted how some front-line low-wage workers, particularly those in sectors such as cleaning and security, have been working longer and harder to keep the country safe and healthy, said the Singapore National Employers Federation. ST PHOTO: LIM YAOHUI

Guidelines for employers

Employers with good business prospects amid the pandemic:

- Reward workers fairly through variable payments
- Bring forward hiring plans
- Grant built-in basic wage increases

Employers recovering from the pandemic:

- Restore wage cuts implemented previously or roll back other cost-saving measures, such as reduction in allowances and commissions
- Firms that have reduced basic wages as an exceptional measure should restore these first, followed by variable wage components such as the annual variable component
- When determining the annual variable component payment, consider the firm's and individual's performance

Employers adversely affected by the pandemic:

- Tap government support measures to accelerate business and workforce transformation
- Retain employees through appropriate cost-saving measures
- Retrain and redeploy workers within the company

Hard-hit employers facing significant cost pressures and poor business prospects:

- Seek employees' support to implement temporary wage cuts
- Promptly implement flexible wage system
- Unionised firms should consult their unions on matters such as wage adjustments

Calvin Yang

Guidelines a pragmatic response amid Covid-19 situation: Analysts

Grace Ho
Senior Political Correspondent

The National Wages Council's (NWC) recommendations strike a pragmatic balance between encouraging companies that are doing well to boost wages and preserving flexibility for those hard-hit by fresh Covid-19 restrictions, said industry watchers.

They were responding to the latest guidelines issued by the high-level council yesterday.

The NWC urged employers that are growing or recovering from the pandemic's impact to take steps to restore their workers' wages, reward them fairly through variable payments and bring forward hiring plans.

But employers facing significant cost pressures and poor business prospects can still implement temporary wage cuts, if this means saving jobs, the tripartite body said in issuing an addendum to its current guidelines.

Speaking to The Straits Times yesterday, Singapore International Chamber of Commerce chief executive Victor Mills said NWC's announcement "makes perfect sense, and it is difficult to see what else it could or should have said", given the ongoing uncertainty.

He said it also has to be seen in tandem with additional government support given in view of the latest safe management measures.

"(The measures) are necessary and the increased Jobs Support Scheme (JSS) and one-month rental waiver will help the F&B industry," he said.

The Government will increase JSS support for food and beverage businesses to 50 per cent, after the announcement that dining in will be suspended from tomorrow. Hawker stalls and coffee shop tenants of government agencies will also receive one month of rental waivers.

A review will be done two weeks after the measures have been implemented to see if there is a need to adjust them further.

Singapore Business Federation chief executive Lam Yi Young said economic and business recovery remains uneven across sectors and companies.

"Today's announcement on the tightening of safe management measures is a stark reminder that the pandemic is far from over and will weigh down on business sentiments," he said.

He added that businesses experiencing recovery should look at restoring wage cuts and rolling back other cost-cutting measures when the situation allows. "Businesses that continue to be adversely impacted by Covid-19 should actively tap government support measures to retain their employees."

Dr David Leong, managing director of recruiter PeopleWorldwide Consulting, said restoring wages and benefits may not be top of the agenda for many companies.

"We may see further job losses if these restrictions persist beyond June 13," he said, referring to the end date for the tighter measures, which include capping gatherings at two people and working from home as the default.

Mr Kurt Wee, president of the Association of Small and Medium Enterprises (Asme), said preserving flexibility is key.

"Asme supports a flexible wage system that will allow employers to continue to keep their workers employed, instead of taking retrenchment as an option," he said.

"Given the current wave of impact from the new restrictions, coupled with expectations of an uncertain second half of the year, this will provide employers with better flexibility."

Last year, the NWC, in a rare move, reviewed its wage guidelines for a second time as the coronavirus outbreak took its toll on the labour market. It will convene again later in the year to develop guidelines for the period from Dec 1 to Nov 30 next year.

Mr Lam welcomed this, saying it will ensure that the guidelines remain relevant in the evolving Covid-19 landscape.

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MARKETS

	Weekly	Change
STI	3,200.26	-18.01
KL COMP	1,587.45	-14.20
NIKKEI 225	29,357.82	545.19
HANG SENG	28,610.65	-114.23
SHENZHEN B	1,134.98	-9.37
DOW	34,777.76	+902.91

DAILY DIGEST

Though the Philippines may seem to be rushing to develop liquified natural gas facilities, investors should beware of risks such as regulatory and financial uncertainty, the Institute for Energy Economics and Financial Analysis says.
TOP STORIES / 2

Sustainability is a cost that needs to be incurred sooner or later, which is what makes sustainability a zero-sum game, says Surbana Jurong's group chief executive.
TOP STORIES / 6

Restrictions on gatherings are being extended for another week in Sydney and surrounding areas after health officials say they were unable to identify how a man in the community caught Covid-19.
GOVERNMENT & ECONOMY / 19

The Biden administration is examining ways to ensure that a waiver of Covid-19 vaccine patents to aid poor countries will not hand sensitive US biopharmaceutical technology to China and Russia, US and industry officials say.
GOVERNMENT & ECONOMY / 19

The hackers who caused Colonial Pipeline to shut down the biggest US petrol pipeline last Friday had, a day earlier, stolen a large amount of data before locking computers with ransomware and demanding payment, according to sources.
INDUSTRY / 20

Global minimum corporate tax unlikely to cause US capital flight from Asia

Countries with low tax rates need to rely on non-tax policies to attract FDIs in future

By Angela Tan
angelat@sph.com.sg

Singapore

CALLS for a global minimum corporation tax rate, if implemented, may see some American companies restructuring to shift certain functions back home or elsewhere, but an exodus of US capital from high-growth Asia is unlikely, tax experts say.

Any such move, however, means low-tax jurisdictions in Asia such as Hong Kong, Thailand, Vietnam and Singapore can no longer rely on tax policies to attract foreign direct investments (FDIs) in the future. Instead, they must focus on non-tax incentives.

The Biden administration is looking to an international cooperation on corporate taxes to prevent multinational corporations (MNCs) from relocating in search of lower tax rates. US Treasury Secretary Janet Yellen has suggested a global minimum corporate tax rate of 21 per cent.

Paris-based Organisation for Economic Co-operation and Development (OECD) has been building a consensus around a 12.5 per cent rate in its talks with about 140 countries – a move which could boost the global tax take by US$100 billion at a time when government coffers have been drained by the Covid-19 pandemic. OECD is expecting a deal to be finalised as early as October, but tax experts say it may take at least two years to implement any agreement consistently globally.

Chris Woo, tax leader at PwC Singapore, tells *The Business Times* that the US proposals could prompt American MNCs to re-evaluate their global operations.

"While this may result in some corporations restructuring to move certain functions back to the US or elsewhere, the region's value proposition is such that a mass exodus of US investment is probably unlikely," Mr Woo says.

Eugene Lim, head of tax, private equity and mergers and acquisitions (M&A) services at Marsh Asia, says that tax liability will be a major cost for businesses that has to be closely monitored.

"This, together with the increasing ambiguity in tax legislation and tax policy design, will have a huge burden on how businesses assess tax risks relating to cross-border M&A transactions going forward.

"To enhance their level of tax certainty, businesses may look for innovative solutions, such as tax liability insurance, to manage their tax risks," Mr Lim suggests.

Key territories in Asia that have standard corporate income tax rates below 21 per cent include Vanuatu (0 per cent), Macau (12 per cent), Maldives (15 per cent), Hong Kong (16.5 per cent), Singapore (17 per cent), Brunei (18.5 per cent) as well as Thailand and Vietnam (both at 20 per cent), according to Fitch Solutions Country Risk & Industry Research.

Citi Research believes that Singapore will be more affected by US tax proposals than Hong Kong given the city-state's much larger presence of US MNCs and lower effective tax rates (ETR).

"Despite the statutory/headline corporate income tax rates of 16.5 per cent and 17 per cent in Hong Kong and Singapore, respectively, tax breaks and exemptions yield a much lower ETR. We estimate the gap is much wider in Singapore (4 per cent versus 17 per cent) than in Hong Kong (11 per cent versus 16.5 per cent) for US MNCs," Citi says.

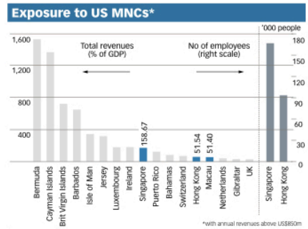
If a global minimum corporate tax rate is agreed on, low-tax jurisdictions may see companies involved in mid-level manufacturing and business process outsourcing (BPO) services relocate some of their operations to places that offer more competitive advantages like skilled labour and better infrastructure, Fitch says.

Firms in higher value-add sectors that rely on strong logistics and highly-skilled labour in these markets will be confronted with fewer options for relocation.

"Countries with operating environments that support highly-specialised sectors such as biotech, advanced Information and communications technology (ICT) services and smart manufacturing, will likely be better shielded from the risk of capital flight on the basis of these tax changes," Fitch says.

Continued on Page 2

Exposure to US MNCs*



*with annual revenues above US$850m

Source: IRS Statistics of Income, Citi Research

Banks, tech firms hit by new work pass restrictions

Blip is temporary, unlikely to dent expansion plans

By Olivia Poh
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Singapore

SINGAPORE'S new restrictions on work pass holders from higher-risk regions could cause temporary uncertainty for companies in the technology and financial sectors, but this blip is unlikely to significantly dent expansion plans, observers told *The Business Times*.

Industry watchers believe that banks and tech companies alike have the bandwidth to adapt and pivot accordingly to meet their needs. This comes as the tech and financial sectors have adapted well to remote work during the pandemic, and are still rapidly hiring for their growth plans.

Last Friday, the Ministry of Manpower (MOM) announced that Singapore has stopped accepting new entry applications for work pass holders from countries or regions with a higher risk of Covid-19. Work passes include work permits, S-Passes, and Employment Passes.

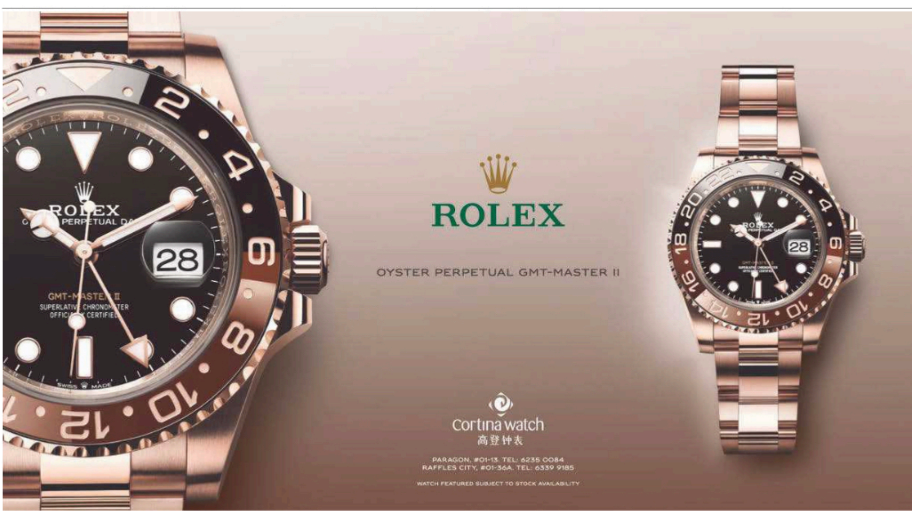
The ministry said that it will reschedule entry for those who had earlier obtained approval, with the exception of those from the construction, marine shipyard and process sectors, and migrant domestic workers.

Relocating people from other locations to Singapore in the midst of a pandemic is not something businesses are likely going to rush into; rather, it is an exception, said Amit Gupta, president of The Indus Entrepreneurs Singapore (TiE), a global entrepreneur and investor foundation.

Instead, companies are more likely to simply manage their global workforce remotely and conduct hiring processes online as a stopgap measure.

David Leong, managing director of HR consultancy PeopleWorldwide, said that hiring trends have shifted and employers are open to work from home. "Even bankers are reaching out to clients without meeting face to face," he pointed out. "We know that banks are already hiring bankers to be based in their home country to solicit and to support clients."

Continued on Page 2



Chia Tek Yew
Vice-Chairman of Singapore
Oliver Wyman

It would be easy and convenient to enact a law against ageism but I believe we, as a society, need to take a step back and understand what has changed over time such that even a filial society like ours have to battle ageism.

Essentially, ageism is more pronounced at the lower echelons of society which include even mid-level PMETs and less-educated blue-collar workers.

Perhaps the solution could be multi-pronged: For those who can and want to continue working beyond their 50s, create a conducive environment including lower personal taxes (to offset lower salaries), part-time work opportunities or even prioritised recruitment (local retirees before foreign work pass holders).

Andrew Chan
Founder & CEO
ACI HR Solutions

As an executive search firm, we often come across hiring discrimination during the recruitment process, and ageism is usually the form that would come up the most frequently. With an ageing workforce, and Singapore experiencing a contraction of the working age population, enacting a law against age discrimination is not only ethical but also makes good business sense.

However, I would recommend that education on the topic be increased in unison with any new legal requirements to not only ensure buy-in but true compliance from organisations.

Foo See Yang
MD & Country Head
PERSOLKELLY Singapore

According to our APAC Workforce Insights, 95 per cent of employers recognise at least one benefit of employing or working with mature workers. Mature workers' extensive experience allows them to bring deep knowledge about their respective industries and jobs, which also makes them good mentors for younger colleagues.

At PERSOLKELLY, we believe in equal employment opportunities to support individuals as well as help organisations navigate and grow in the face of a changing workforce. As a progressive society, we should continue to promote the positive impact of older workers, and welcome systemic changes that will accelerate integration in the workforce and normalise age-friendly working environments.

Russell Higginbotham
Chief Executive Officer
Swiss Re Asia

Falling birth rates and rising life expectancy are leading to longer, healthier lives, but create an issue of how to sustainably fund an adequate quality of life over longer retirements. In a time of "lower-for-longer" interest rates, this situation presents challenges to government, employers and individuals.

Higher retirement savings during working life is part of the solution, but ultimately the majority of people will have to extend their working lives and in a fast-paced modern world, this part of the solution is not simply an increase in retirement age.

Instead, all parties need to work together to find new ways of working into older age and most importantly for this to be seen as a valued, integral and well-accepted part of the society we live in.

Seamus Phan
Chief Content and Technology Officer
McGallen & Bolden and FlightLeaders

In my opinion, enacting more laws would not help. Laws are basic skeletal frameworks of society, not the defining backbone. Imagine someone who has simply been filing paper documents for 30 years, without building up knowledge or skills. This does not translate to 30 years of valuable or useful experience in today's world.

Conversely, someone who has kept learning, in traditional educational institutions as well as self-learning, and then applying those knowledge to real-world scenarios, would be valuable at any age. Businesses appreciate value, and will employ anyone at any age if they bring value to the organisations.

Maren Schweizer
Director
Schweizer World Pte Ltd

The age-inclusive workforce is an untapped source of growth. Business and economic success is increasingly tied to older employees. Older adults are healthier and better educated than ever before; their talent often remains underutilised and overlooked. Our experience has proven that mixed-aged teams generate a productivity spillover effect with an overall team productivity increase.

Singapore should implement additional regulations while continuing to avoid complexity and opposite effects. An example of an opposite effect is Germany's protection against dismissal of those above 55, with its initial intention to safeguard and deliver more jobs for older employees. I am not concerned, as lessons learnt have guided Singapore for a long time.

Corporates shall also play a role to foster age diversity. We stand for age- diversity and inclusion.

Derrick Chang
Chief Executive Officer
PSB Academy

Enacting a law against ageism is a top-down approach that can be adopted to make it illegal to discriminate against older workers. However, we should also adopt a bottom-up approach, where we can start by changing mindsets when it comes to hiring mature workers. For one thing, hiring should be based on skills and experience, as opposed to age. Job seekers with the relevant skills and experience should be prioritised.

The Singapore government has put in place various initiatives to encourage workers, regardless of age, to continually upskill themselves to remain relevant in today's economy.

PSB Academy is one institution that offers a wide range of courses that provides mature students with the opportunity to upskill and reskill.

The 21st century employee should be one who learns, unlearns and relearns. Anyone, regardless of age, who embraces a mindset of continual upskilling will be a valuable asset to the organisation.

The full list of views from CEOs is available at http://businesstimes.com.sg

Joanne Wong
VP, International Markets
LogRhythm

It seems counterintuitive that in the face of a growing silver population, we continue to hold ageist attitudes and discount both their past efforts and potential contributions.

That said, enacting new manpower laws can only go so far to change mindsets around elderly workers. Organisations themselves must put in place structures and processes that empower experienced workers to perform and add value, as opposed to relegating them to mundane tasks.

There are also opportunities to foster greater knowledge-sharing and collaboration between the older and younger generations of workers, where they can learn from each other's expertise and truly work together as a team. Only when we focus on people's individual strengths and shed our preconceived notions, can we cultivate a more diverse and inclusive workforce that is future-proof for tomorrow.

David Chan
Managing Director
AdNovum Singapore

More than ever, companies in Singapore are seen adopting an agile work culture, providing employees with more autonomy and even four-day weeks. It is not essential for Singapore to enact a law against ageism as given the manpower crunch in various sectors, businesses can only be results-oriented and desirous of tapping a wider talent pool. There would be equal opportunities for everyone, including working mums and older workers.

AdNovum hires candidates based on merit, capabilities and skills and has people of different levels in the hiring process to ensure that it is fair. Our employees' median age is 38, and we promote a diversified and inclusive workplace to facilitate innovation.

Joshua Yim
Chief Executive Officer
Achieve Group

As an employer of a growing pool of workers in their late 40s and 50s, I have seen many upsides in hiring older workers. For one thing, they have accumulated a wealth of experience and skills that are highly transferable. Secondly, they possess a high degree of responsibility and maturity in carrying out their work.

Employers across industries are beginning to see the positives in hiring older workers, as evidenced in the recent hiring figures under the Jobs Growth Incentive. With these encouraging signs, instead of enacting legislation to combat ageist attitudes, I believe more could be done to incentivise employers in recruiting mature people. Success stories of employers with older workers could also be more widely showcased across traditional and digital media to eradicate discrimination and educate employers on the upsides of hiring older workers.

David Jacob
Regional CEO
Marsh Asia

As Singapore's population continues to age, we need to think about way to futureproof the workforce. Challenges such as talent shortage, the loss of institutional knowledge and a growing aging customer base, entail ensuring the sustainability of a multi-generation workforce.

Ageism often stems from misconceptions about experienced workers' ability to contribute and preconceived notions about their reduced productivity, weak technological skills, and high retaining costs.

Companies should invest in the health and well-being of their experienced workers, adopt automation to replace physically demanding work, and digital technology to enhance productivity. It is crucial to recognise that tech integration is not only about shaping the business with new technologies but about integrating people, regardless of age, into organisation-specific strategies to help with embracing the changes.

Susan Tan
Founder & Principal Consultant
ECI Consulting Holdings Pte Ltd

To me, there is more than one dimension to ageism. The first is discriminating against or withholding opportunities to participate on the basis of age. As a society, we should not allow this. Enacting a law against ageism will certainly help. Yet, there will still be individuals breaking that law. Hence, in addition to legislation, education to help individuals understand ageism and their roles in being more inclusive will be important to combat the bias.

Also, economic changes will give rise to new industries and new jobs while making redundant certain industries and jobs. Older individuals will need to take a proactive approach to maintaining their physical health, mental health, cognitive health so that they can continue to learn the new skills and knowledge that are needed to ensure their employability. Combating ageism is not an easy task, but with a multi-pronged approach, we will get there one day.

Mario Singh
Chief Executive Office
Fullerton Markets

In the European Union discrimination in the workplace on the basis of disability, sexual orientation, religion or age is prohibited. The United States has the 1967 Age Discrimination in Employment Act that forbids employment discrimination against people aged 40 years and older. The fact that these laws and frameworks exist show that age discrimination is apparent in the world. Singapore is no exception.

The workplace thrives on efficiency and productivity. We need to challenge stereotypical assumptions that older people are less skilful or less productive. As long as older workers stay relevant to the job requirements and if the role can be performed on equal footing between two colleagues regardless of age, a law against ageism is not necessary.

Chan Chong Yang
Managing Director, ASEAN
Qlik

Singapore has a lot to benefit from embracing diversity at the workplace. Diversity has been linked to not just increased productivity and creativity but also reduced turnover and improved employee engagement.

At Qlik, we consistently evaluate our management of diversity and inclusion by tracking metrics such as age and gender of employees in various positions. We have an Affirmative Action plan (focused on placement goals) which increases the hiring of qualified people in job categories where they appear to be statistically under-represented in comparison to their availability in the pool of qualified candidates. It is important to value all workers, regardless of their age, gender or race. At Qlik globally, 40 per cent of senior staff (directors and above) are over 50 years old.

Lim Soon Hock
Managing Director
PLAN-B ICAG

As more of the world's population is ageing, labour laws should be amended to discourage ageism. That said, with declining fertility – even in Singapore – the labour force will inevitably shrink.

In this scenario, what the seniors lack in terms of energy will be more than compensated by years of experience and expertise that will emplace them increasingly in demand. The market forces of demand and supply will take precedence over the law in the employment of seniors, provided they are healthy and stay relevant to be employable.

While a law against ageism will ensure fairer play, seniors must be prepared to keep up with the competition not just from younger human capital, but also from technology as well.

David Leong
Managing Director
PeopleWorldwide Consulting Pte Ltd

From an organisational and HR perspective, ageism is discriminatory. The notion of inclusiveness in organisations is ideal. Ageism is a sensitive topic as it involves and impacts every one at some point in their life cycle. Recognising that age beyond a certain point generally has a rapid decay effect. Work performance, deliverables and efficacy may peter out sharply. This must be a recognised fact. The larger question is at what age?

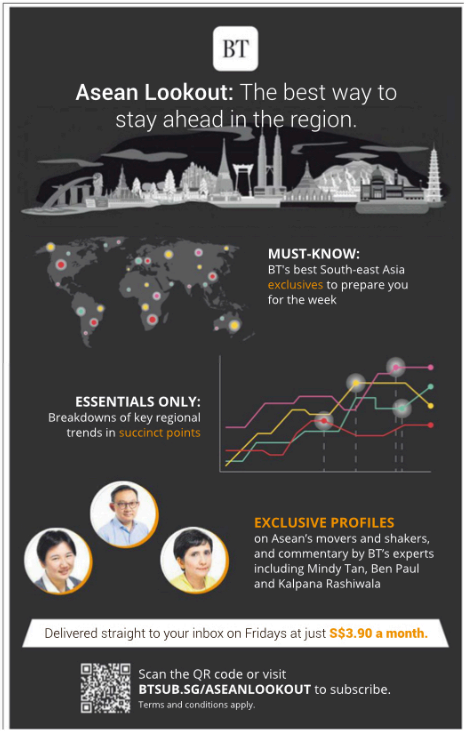
In Singapore, the retirement age is set to be raised to 63 next year, and re-employment to 68. This statutory adjustment proves that the government recognises ageism and has systematically calibrated the age upwards. Denying the effects of ageism in workplace safety and productivity is like thrusting one's head into the sand.

Re-employment of older workers to 68 is not about opportunity equality, it is a societal problem. The bigger issue is sustainable ageing, in a dignified way, in a high-cost environment. This is the real problem.

Zaheer Merchant
Regional Director (Singapore & Europe)
QI Group of Companies

If Singapore enacted legislation against ageism, it would not be unique. The United States has the Age Discrimination in Employment Act (ADEA) provisions which forbid age discrimination against people aged 40 or older, while in Australia the Age Discrimination Act 2004 (ADA) prohibits discrimination in employment on the basis of age. Numerous other countries including civil law countries have similarly done so, from Costa Rica to Israel. The World Health Organization report clearly defines and delineates an attitude of age discrimination.

If education, counselling, greater community and targeted workplace efforts and outreach on the positive benefits of senior employees in the workforce is unable to address the prevailing (but not new) trend, there seems little other option.



THIS WEEK'S TOPIC

Should Tokyo go ahead with the Olympics in July-August 2021?

Battling Covid: The Tokyo conundrum

Victor Mills
Chief Executive
Singapore International Chamber of Commerce

It would be a wonderful expression both of human resilience and hope if the Olympic Games could be held safely this year. The risks of super-spreader events are very real. These can be mitigated by rigorously managed venue "bubbles", safe distanced seating for local fans, frequent testing and, of course, compulsory vaccination for everyone attending the Games. Public health considerations must be the key deciding factors for whether or not the Games go ahead: not national pride or the frustrations of athletes. True resilience is dealing with the situation as it is, not as we would like it to be.

David Kuo
Co-founder
The Smart Investor

The world has bigger things to worry about than staging an international sports event. Admittedly, Japan has spent extensively to host the Games. It must spend even more to ensure that everyone is safe. It would be preferable if the International Olympic Committee (IOC) helps poorer countries vaccinate their citizens. The Olympics is about fair play. There is nothing fair about athletes from wealthy countries competing with participants from poorer nations grappling with the pandemic. Instead of cancelling the Games, the 2020 Olympics could be delayed to 2024, the 2024 Games could be moved to 2028, and the 2028 Olympics held in 2032.

Lawrence Loh
Director, Centre for Governance and Sustainability
NUS Business School

While the pandemic is still ravaging the world, no time is a good time for a global event as monumental as the Olympics. With safety measures in place, the coming Tokyo Olympics can be reframed as a "cohesion Olympics". While it is hard to predict the trajectory of the pandemic even with the progressive vaccination, the event can be designed as a timely morale booster. It should go beyond the conduct of the sports. There is really much potential to introduce special proceedings, beyond the sports, that can be shared worldwide. It is hoped that countries and corporations will take on the global social responsibility as sponsors.

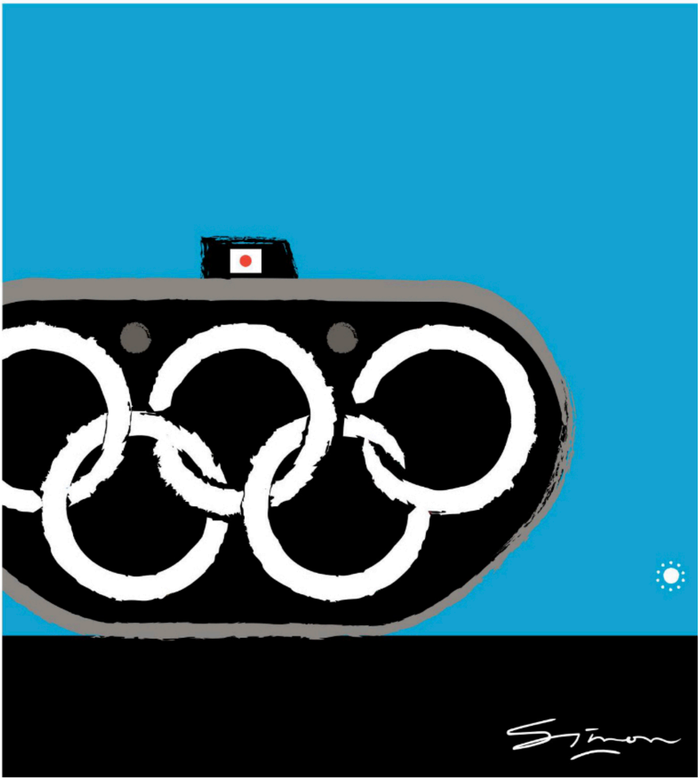
Seah Kian Peng
Group CEO
FairPrice Group

The Tokyo Olympics will succeed if it remembers the heart of the Games – the purity of sports, the prowess of the athletes and the unyielding human spirit. For me, there is only one priority – ensuring a safe environment for athletes and officials. Japan must also keep its own people safe from imported cases.

This is a chance for us to remember what the Games are about – to lower the focus on money, economic gains, sponsorship and eyeballs – and re-focus on sportsmen and women. All the athletes have been training hard for the last five years; it would be a pity if all their efforts come to nought.

At the same time, we must caution organisers and the IOC not to compromise the safety of athletes for anything else – broadcast timings, audience/viewers participation, ratings and VIP visits. The Games are expensive and Covid-19 has made them even more so.

We must have a viable business model. I am not so naive as to believe that money does not matter. But today, in these extraordinary times, we must remember that there are other things that matter more.



BT ILLUSTRATION: SIMON ANG

Mario Singh
Chief Executive Officer
Fullerton Markets

No, the Olympics should not go ahead in Tokyo this year.

It boils down to this seemingly difficult conundrum: how do we measure the cost and value of anything when it is pitted against the sanctity of human life?

Granted, the Tokyo Olympics is set to be the world's third most expensive with a price tag exceeding US$15 billion and thoughts are certainly swirling on how this amount is going to be recovered. But, seen another way, it's a "mere" 0.3 per cent of Japan's US$5 trillion gross domestic product (GDP). We don't need to look further than India for a glimpse into how things can go horribly wrong.

It would be wise for the organisers and IOC to ponder the words of philosopher George Santayana: "Those who do not learn history are doomed to repeat it."

Chia Ngiang Hong
President
Real Estate Developers' Association of Singapore (REDAS)

With over 15,000 athletes training hard and looking expectantly to participate in the Olympics and Japan having put in enormous efforts and resources, we can fully empathise with their predicament. This year's Olympics will probably have to be scaled down in terms of grandeur and spectatorship.

Notwithstanding this, a safe conclusion of the event will re-ignite the values of sportsmanship and the universality of Olympism as well as demonstrate the determination of all countries to come together in unity to overcome the pandemic and the strength of the human spirit over our fears and challenges. That said, it may be prudent that the organisers monitor the situation very closely before making their final decision.

Jeffery Tan
Group General Counsel and Chief Sustainability Officer
Jardine Cycle & Carriage

In this time of Covid, when global activities have been severely impacted by the virus' rapid transmission and threat to human life, it is no different from 1940 and 1944 when the Olympics Games were cancelled on account of the threat to lives, brought about by World War II. The organisers and host country will do well to determine what the key priorities are in the midst of a raging pandemic – vaccines and testing capabilities notwithstanding.

In this regard, the Olympic motto provides valuable guidance: Citius, Altius, Fortius (Latin for Faster, Higher, Stronger). This should apply only to sporting excellence and not to the transmission of the Covid virus.

Maren Schweizer
Chief Executive Officer
Schweizer World

Certainly not. I am convinced that Japan has state-of-the-art measures in place that limit vulnerability. Nevertheless, one cannot ensure that there will be no transmission of the Covid virus. Given the severe consequences of a super spreader event – for the global communities, economics, and supply chains – we have to cancel for the greater good. My thoughts are with the athletes having re-trained for a one-in-a-lifetime event and with all working hard to make the postponed Tokyo 2020 Olympics happen. The Tokyo Games do not deserve to be in the history books as a super spreader event either. So I believe we, as a global community, have to support Japan financially and emotionally.

Dora Hoan
Chief Executive Officer
Best World International Ltd

Nothing is more important than human life. In view of the ongoing pandemic – especially in Japan, the Olympics host, which is now grappling with a fourth wave of Covid-19 and struggling in a state of emergency, and with much of the Japanese public unvaccinated – it is neither feasible nor desirable for the Games to go ahead.

We believe that the Olympic spirit would be truly and best manifest in a unity of everyone fighting the virus and protecting lives. The Olympics should ultimately be a celebration of humanity in having overcome the crisis together, instead of being a potential super-spreader event exposing human lives to unnecessary dangers.

Zaheer K Merchant
Director
QI Group of Companies

It is my firm view that the Olympics in Tokyo should not proceed. The tepid response of the authorities to the risks is in stark contrast to the lockdown imposed in Tokyo precisely because of the escalating Covid-19 situation. Public opinion is strongly opposed to the Olympics as a mass influx of visitors brings significant consequences and precarious uncertainties. Aggravating factors are whether Tokyo's hospitals are equipped to deal with the big "what if" question, cross-infection, mass travel and potential country fallout. There is sympathy for advertisers, revenue loss, infrastructure built and such consequential losses. But the impact of further Covid-19 escalation will be an insurmountable hurdle, no pun intended.

Toby Koh
Group MD
Ademco Security Group

If I am one of the top athletes in the world, I would be praying that the Olympics will carry on. A lifetime of training, dedication and sacrifice to reach pinnacle platforms like the Olympics cannot be overstated. Time waits for no man and ageing may not look kindly to Paris 2024. If acceptable safety can be achieved, then let the Games continue.

David Leong
Managing Director
PeopleWorldwide Consulting Pte Ltd

Realistically, the Games should be postponed or delayed because of the recent spike in Covid infections in Japan. It is unlikely that the resurgence will be brought under control to a safe level within three months. The latest state of emergency that will last until May 11 is adequate evidence of the worrisome state.

To stage the event in August against all odds and against public opinion has political risks for the government. In the unfortunate event that the Olympics become a super-spreader event because the containment strategies go awry, it will be disastrous.

Japan's planned release of tons of treated wastewater from the ruined Fukushima Daiichi nuclear plant into the ocean already raised alarm and concern from governments abroad. It cannot afford another international Olympic fiasco.

Lim Soon Hock
Managing Director
PLAN-B ICAG

It is a pity that the Tokyo Olympics cannot proceed as originally planned due to the pandemic. We can expect the IOC to always have contingency plans in place, including cancelling this edition altogether. I would not advocate that this step be taken, but instead, to delay it to a more congenial time when there are no health safety concerns and spectators from all over the world can attend. Apart from the enormous investments and painstaking efforts that have been put in by host Japan, it has always been an excellent platform to promote international understanding and goodwill. This compelling and overarching reason for it to be held, albeit at a later date, more than justifies the delay, which is unlikely to be too long, given the global vaccination drive that is in progress.

The Olympics would not be the same without spectators, who will add much-needed energy and excitement to the atmosphere.

Henry Tan
Group CEO
Nexia TS Group

It is my personal opinion that the pandemic will last for a couple of years. It is not a question of should an event like the Olympics proceed, but how should this proceed with safe management and risk management. The two are quite different. Safe management is a preventive process, so for example: testing; mandatory vaccination of athletes and officials; crowd control, et cetera. Risk management is more about what happens if there is Covid transmission at the Games – how can the teams be localised and locked down so a super spreader event will not ensue. In addition, the Olympics could consider pivoting to allow some virtual events as well.

THIS WEEK'S TOPIC

Drawing from the current global chip shortage, how might a similar crisis be prevented in the future?

Building supply chain agility

BT ILLUSTRATION: SIMON ANG

Kent Nash
GM, Asia Pacific & Japan, Middle East
Solace Corporation

The current semiconductor chip crisis has underscored the critical need for supply chains to be agile, nimble, and flexible. Overnight, batch-based processing and planning simply will not cut it. In order to prevent a similar crisis in the future, organisations need to invest in the right technologies to have visibility on the impact of supply chain disruptions on their business in real time, so as to adapt to changes quickly. At the same time, they should seek to maximise overall equipment effectiveness and product operations to reach new productivity levels.

The adoption of an event-driven digital twin can also lead to more insightful decision-making through the use of simulation models. There is tremendous value in real-time data that can be leveraged. Only with fully integrated and digitised supply chains, supported by an event-driven architecture, can we hope to reduce the impact of unexpected events to a minimum.

Vivek Luthra
MD – Strategy & Consulting, Supply Chain & Operations, Growth Markets Lead
Accenture

It is time that businesses took a good hard look at their supply chains. Having diversity across manufacturing location and supplier mix is important as similar global shortages may become more frequent. Equally critical is having access to planning capabilities that can accurately forecast demand even in highly volatile business and economic conditions. Businesses need to have end-to-end visibility across the ecosystem, beyond their own value chain. By investing in systems that allow for interventions ahead of time, organisations stand a better chance of mitigating any impact from potential future disruptions.

Dileep Nair
Independent Director
Thakral Corporation Limited

The crippling global chip shortage is not a highly improbable "black swan". It is more a "gray rhino" – a highly probable threat with great impact which has been neglected. To cope with such perils before they become crises requires horizon scanning to track changes in the business environment as well as developing leading risk indicators that are continuously monitored to give early warning. Principles and policies need to be established to be better prepared for disruptions. Paradigms such as "just in time" may have to be replaced with "just in case". Supply chains need to be agile and flexible with built-in redundancy. It is even necessary to have a healthy dose of paranoia – as Andy Grove famously said: "Only the paranoid survive".

Oliver Stein
Director - South East Asia
JAGGAER

The current global chip shortage has exposed the extent of supply-chain fragility. While no one could have predicted the perfect storm of disruptions over the last two years, there are ways to mitigate the risks. Key to ensuring supply-chain resilience is building out a supply base that can respond to shifting conditions. This means determining which supplies are critical to business, then diversifying the supplier base. To ensure businesses are not caught out by disruptions in the future, organisations also need to look at shifting from "just-in-time" to "just-in-case" manufacturing methods and further adopt emerging predictive modelling technology. When supply chains are responsive to business conditions, the benefits reach far beyond limiting risk exposure.

Lawrence Loh
Director, Centre for Governance and Sustainability
NUS Business School

Unlike the sudden arrival of Covid-19, the severe shortage for semiconductor chips is not a bolt out of the blue. Digital transformation started some years back and the pandemic might have accelerated the pace, but it is already more than a year in the making. The difficulty that chip makers have is balancing investment and inventory in the face of rapid technological progress. We have to go beyond the current approach of only optimising at the firm level. A more guided way forward will be necessary to preempt the global crisis – beyond industry consortiums, some effective national participation and supranational coordination are sorely needed.

David Kuo
Co-founder
The Smart Investor

Some things are never a problem until they become one. If the problem cannot be solved easily, then it can turn into a crisis. It should not have come as a huge surprise that demand for semiconductors has been rising for years. Yet, investment in chip manufacturing, which can deliver low returns for basic semiconductors, has always been someone else's problem.

Consequently, many companies have seen their profitability boosted by offshoring and over-reliance on just-in-time logistics at the expense of dependable supply. Governments must look at mission-critical businesses and provide the necessary fiscal support to ensure that dramas never turn into crises.

Victor Mills
Chief Executive
Singapore International Chamber of Commerce

The current global semiconductor chip shortage is yet another example of the disruption to manufacturing and supply chains caused by the pandemic. It is a perfect storm when you add unwelcome, geopolitical considerations to the mix. The only ways to manage the current crisis are to scale up production and collaborate, both of which are easier said than done. It can take about two years to build a chip manufacturing plant. Collaboration is tougher when nationalism reigns. The only ways to mitigate a similar crisis recurring in the future are to increase capacity and inventory at home and shorten supply chains.

Andy Y Ng
VP & MD, Asia South and Pacific
Veritas Technologies LLC

Semiconductors are the lifeblood of many industries and also the backbone of the digital economy, with most devices using multiple chips. It is now time to diversify the manufacturing base and provide incentives to boost capacity, as building a new manufacturing plant is costly and usually takes years due to the sheer scale and complexity involved. The regulators could consider legislating the baseline supply of basic chips even as chip makers focus on delivering the next generation of semiconductors that are more profitable.

On the demand side, notwithstanding external shocks or trade tensions, businesses can improve their sales and inventory planning processes to avoid being caught in such a fix. As chip makers evolve their research and development (R&D) capabilities, it pays for businesses to explore redesigning their products to operate on different chips for diversification.

David Jacob
Regional CEO
Marsh Asia

The global chip shortage has developed due to a confluence of factors: supply and demand dislocations from the onset of and the gradual recovery from the pandemic's economic impacts; a concentrated manufacturing base; and geopolitical tensions. Companies likely the hardest hit by this shortage are those relying on just-in-time delivery of product components and minimal stock levels of chips.

Businesses should consider scenario-based business impact analyses as a way to assess their supply chain risk tolerance and resilience. Implement business continuity management programmes to prepare for the growing array of risks, such as fire, natural disasters or cyber attacks, and to ensure the programmes' resilience. Companies should also take measures to prepare for disruptions in the supply of raw materials, equipment, power and even water, as production can be interrupted by the absence of these critical resources.

Jeffery Tan
Group General Counsel
Chief Sustainability Officer
Jardine Cycle & Carriage

Some of the current challenges are the result of supply chains and manufacturing facilities that have been designed for just-in-time deliveries, which are highly dependent on a predictable and reliable global transportation system; and "just-enough" manufacturing capacities that stem from capital investments modelled for optimal financial returns and, consequently, limited flexibility for swift and significant ramping up of production.

Hopefully, the current global chip shortage will encourage planners and investors in every sector to build in greater manufacturing capacities and a more evenly distributed supply chain that can cope with and respond to sudden global disruptions, which are occurring with increased frequency.

John Bittleston
Founder and Chair
Terrific Mentors International Pte Ltd

Efficiency means minimum cost and maximum output. This does not take account of the "faddiness" of markets. Logic dictates regularity of purchase; human behaviour is not logical. For producers of expensive goods, just-in-time supply means occasional stoppages for missing parts. This costs less than keeping adequate stock over long periods. That is not the issue. Critical plant stoppage gives competitors a lead, disrupts the workforce, and sends an image of incompetence. Since even the best forecasting will be thwarted by the unpredictable, stock adequate inventory. It is not the most efficient, but you will keep your job.

Alex Teo
MD and VP
Siemens Digital Industries Software, SEAsia

Smart semiconductor-consuming companies can help mitigate short-term demand fluctuations by fully leveraging advanced product life-cycle management for embedded system design and supply-chain analytics technologies to identify trends. This enables nimble, smart decisions intended to avoid or soften shortages.

A major lesson learned from today's chip shortage is this: leveraging best-in-class technologies to boost supply-chain resilience, enhance visibility and provide early insights can allow companies to boost fab orders before a future pandemic or crisis develops. With this insight, savvy companies can quickly reserve cycles at alternative fabs or otherwise adjust orders to minimise the impact of such a crisis.

Pavlos Spyropoulos
Chief Executive Officer
Lloyd's Asia

This is a subject that risk managers and the insurance industry have devoted significant resources to addressing. Previously, Lloyd's worked with a risk modelling firm, AIR Worldwide, to produce a study on how probabilistic modelling and predictive methods can address knowledge gaps in assessing supply chain risks to help prevent and mitigate them. The study concluded that understanding supply chain risks is a Big Data problem that involves deriving actionable insights from large-scale multi-dimensional data sets. Businesses need to transition from traditional to data-driven decision-making processes and use modelling frameworks to run future aggregation scenarios that will enable them to shift from reacting to supply chain risks to proactively managing them.

Maren Schweizer
Chief Executive Officer
Schweizer World

There are no quick fixes. The affected industries, such as automotive, have to redesign their supply chain management. Just-in-case overtakes just-in-time. We had seen such effects before in post-downturn cycles, while several factors multiply the severity of the current shortage.

Component manufacturers cannot build stock due to inventory and shelf life risks. Building new production capacity takes years. Additionally, products such as printed circuit boards (PCBs) are customer-specific, built-to-order products.

Short-term, manufacturers can squeeze out even the smallest amount of extra capacity from their existing production sites.

The automotive and electronics industries can rely on suppliers with anti-cyclical investments in place, providing additional immediate high-tech production capacities.

Mario Singh
Chief Executive Officer
Fullerton Markets

The global shortage of chips is not an easy problem to solve as even the biggest players are faced with huge challenges.

GlobalFoundries, a contract chip manufacturer, is exploring delaying maintenance tasks and speeding up rates of wafer movements to build more chips. Another big player, Taiwan Semiconductor Manufacturing Co, is grappling with the drought in Taiwan – chip manufacturing uses billions of gallons of water a year.

I see two ways to prevent a similar crisis in the future. Firstly, governments and corporates should mine data for predictive analysis to track chip supplies and movements all over the world.

Secondly, a deeper collaboration between chip makers on how they can possibly collaborate with each other to use their factories for mutual benefit. Some issues facing one country or one chip maker may not necessarily impact a manufacturer in another country.

Alper Turken
SVP, Service Provider, Asia Pacific and Middle East & Africa
CommScope

Overall semiconductor industry demand continues to outpace supply; the demand has surged, in part driven by a greater demand for consumer electronics such as smartphones and laptops.

As industry leaders and experts prioritise the solving of supply chain issues, it is important we promote a level playing field not only between domestic and international conglomerates, but also include the interests of smaller to mid-size companies, since larger players have the advantage given their high purchasing power. A more regulated framework between governments and tech industry players will ensure a more resilient global supply chain that will benefit more than harm.

David Leong
Managing Director
PeopleWorldwide Consulting Pte Ltd

The global chip shortage is a result of pent-up demand from manufacturers of cars, phones, and all electronic products that need the embedded "brain". The imbalance will persist for a while even as the chip makers are now in full throttle.

This chip shortage faces a perfect storm of supply chain hiccups. The crisis is not easy to mitigate; unlike grains and other commodities that can be stockpiled for crisis buffer, chips cannot, as the technology evolves too fast and become outdated too soon. Supply chain chokes as a result of pent-up demands will surface as sporadic events that will even out over time.

Zaheer K Merchant
Director
QI Group of Companies

There is no preventing such a crisis, in my estimation. The crisis is now and present. Despite steps in ramping up facilities and building manufacturing capacity by the major chip makers, the shortage will persist over the next three to five years. Chip attenuation will ensue going forward, because each manufacturing country that can afford it recognises chips to be the need of the hour. Massive investment into production infrastructure will inevitably follow on a global level with each country designing, then creating, chips required for its industries or for export.

The shortage will eventually subside or be technologically disrupted in due course. Like everything else, production and scale is a great response and leveller of demand.

ST Liew
VP, President SEA + Taiwan
Qualcomm

The global chip shortage has pervaded all industries, from automotive to smartphone and personal computer manufacturers. The pandemic, and the rapid adoption of digital transformation that comes along with it, has driven significant demand for semiconductors. This, combined with the growth of smartphone shipments and the strong push to roll out 5G, have highlighted the importance of semiconductors in powering the way we live and work. It is crucial now for the industry to come together and invest in manufacturing capabilities to foster greater efficiencies throughout the supply chain, building a strong foundation for the ecosystem as we continue to drive innovation.

Shaun Tan
Co-founder and CEO
Dreamcore

The shortage of semiconductor chips is a black-swan event that resulted from various Covid-related factors, such as a huge demand in consumer electronics, e-commerce and online services leading to more companies requiring cloud and data centres to scale up resources. All this contributed to the spike in demand for chips and resulting shortage, which we foresee lasting until at least the first quarter of next year.

It is incredibly challenging to avoid or plan ahead of a black-swan event. However, companies can put measures in place to keep the supply chain running. Good inventory forecasting and building a sufficient buffer of stock can help to mitigate the impact of unprecedented shortages. Companies should also need to be resourceful in finding alternative sources of supply.

Lim Soon Hock
Managing Director
PLAN-B ICAG

The semiconductor industry often goes through cycles of ups and downs. No one expected this current global chip shortage, its scale of which is unprecedented. It is so because of a perfect storm created by a confluence of factors: US-China trade tensions, crypto currency mining boom, supply chain disruptions caused by Covid-19 pandemic, and so on.

Even with a perfect crystal ball, it will be hard to predict when another similar crisis will happen again in the future. Some of the causal factors can be controlled, such as resolving the US-China trade war; better management of a pandemic, learning from the Covid-19 experience; relocating production closer to major manufacturing centres; building self-sufficiency, and more. But others, such as severe weather or the surge in crypto currency demand, remain difficult to predict.

What we can hope for is that all governments, businesses as well as consumers do not shirk their responsibilities to prevent any possible causal factor from happening. And should it occur, there is the collective responsibility to quickly mitigate the risks and resolve another potential chip shortage of the current scale.

Ooi Joon Aun
President, Asia Pacific
Wyndham Hotels & Resorts

Proof of vaccination should offer inoculated travellers access to "green lanes" but should not be a mandate for international travel.

With the resurgence of business activities, we anticipate business leaders will resume travel, or even more, after the pandemic. A safe open-door policy continues to be essential for business operations, as well as the recovery of the travel and hospitality sector across the region.

Rapid testing, thorough health checks as well as strict quarantine measures, have already facilitated the safe and gradual reopening of our borders. This can remain an option for travellers who have yet to be vaccinated, but must travel for essential business trips.

Adopting a multi-pronged approach will ensure travel remains possible for all, which will mutually benefit businesses, the economy and the livelihoods of many.

Aman Gupta
Co-founder and Managing Partner
SPAG

How we bring back a sense of normalcy and co-exist with Covid-19 will impact our moving beyond the virus in 2021. The discussion around vaccine passports is based on the principle of trust, and also safety. A vaccine passport basically declares that one has been inoculated, and works as proof of that safety and trust. It will accelerate the process of resuming life to some sense of normalcy. Technology will also play a critical role in normalising our lives, and it is essential that we integrate all processes. What is also equally important is to build strong communication campaigns around this, to fully sensitise people and help them adapt to the future.

Joanne Wong
VP, International Markets
LogRhythm

It's encouraging to see progress in vaccine rollouts over the past few months, and this will likely serve as a predicate for international travel. As the authorities weigh the pros and cons of this approach, they must also pay close heed to the development and use of trusted identifiers like a vaccine passport and digital health pass. We have learned from experience how digitalisation can be instrumental in building trust, as it helps reduce subjectivity, bias, and susceptibility to fraud, which are always a risk in manual processes. There is then a huge opportunity to reinvent the way we travel and create a new standard informed by a trusted form of digital identity.

Naveen Menon
President, ASEAN
Cisco

While vaccinations are a step towards ensuring public safety and restoring international travel, they are also a subject of wider community inclusion, as not every country has equal access to vaccine supplies. Vaccination proof, therefore, may not necessarily be a prerequisite for travel. However, travellers who have not been inoculated should adhere to more stringent quarantine processes.

That said, the scope and complexity of global vaccine and digital passport rollouts is staggering. New systems and applications are needed to ensure the global interoperability of healthcare records to allow information to flow freely. But we also need to make sure that such information is kept confidential, highlighting the importance of personal data protection. We believe that privacy is a fundamental human right and should not be compromised in any way. Secure, reliable networks and applications are key to preserving the privacy of individuals.

Nicholas Lim
General Manager (Sales), Asia
Norwegian Cruise Line

We say "yes", as safety for our guests, crew and the communities we visit is always our priority.

The growing availability of the Covid-19 vaccine has been a game changer. We are convinced that the vaccine, combined with our science-backed health and safety protocols, will help us provide our guests with what we believe will be the healthiest and safest vacation. We are therefore requiring all guests sailing aboard our initial cruises with embarkation dates through Oct 31, 2021 to be fully vaccinated and tested prior to boarding our ships. Given the ever-evolving nature of the pandemic and pace of the global recovery, we will continue to evaluate our science-backed health and safety protocols as we make future decisions around our policies and procedures.

Wendy Johnstone
SVP & COO APAC
Zendesk

Many hope for the reopening of international borders, but the severity of the pandemic has shown that returning to "normal" cannot be done at the expense of personal and economic safety. While the idea of vaccine passports isn't new, the equity concerns raised are very real – especially when looking at how Covid-19 has ravaged so many countries, regardless of how well-resourced they are.

Vaccine passports should be seen as an additional line of defence, rather than a "free pass", until more research is done on the vaccine's long-term effectiveness of preventing transmission. With safety as a priority, it's wise for governments to take all necessary precautions, while also ensuring options – in the form of healthcare, vaccinations, and other safety measures – are made available and accessible to all.

Choe Peng Sum
Chief Executive Officer
Pan Pacific Hotels Group

The vaccine passport will enhance the control of the spread of virus and act to safeguard the health of the local population. It will be a first step towards re-establishing travel without quarantine or stay-home notice.

Availability of vaccination proof will also help to ease the administrative hassle at airports as it legitimises the verification process.

However, we recognise that this will not be a perfect solution in the short term. There are considerations of infrastructure and institutional limitations related to personal data privacy in certain countries. It should also not be a discriminating factor against those who may not yet have access to vaccines due to economic status or other reasons.

Tan Mui Huat
President and CEO, Asi
International SOS

Covid-19 vaccination cannot be seen as the silver bullet to stem the spread of the disease. The vaccines' efficacy has been impacted by increasing Covid-19 variants and vaccine complications. Requiring proof of Covid-19 vaccination also raises questions of equity as there will always be an unvaccinated population.

Yet, to open up economies, countries and airlines are making the move to shorten quarantine periods and make travel easier for vaccinated individuals. To enable a safe return to travel, governments and businesses must look beyond requiring proof of Covid-19 vaccination, and adopt a comprehensive approach including safe management measures, Covid-19 testing, health screening and quarantine, while ensuring data privacy and authenticity.

Helen Ng
Chief Executive Officer
Lock+Store

Proof of Covid-19 vaccination will help allay the concerns of health authorities worldwide to some extent. Although there are no studies to show that vaccination helps prevent transmission, it helps prevent severe illness and death. The end goal is to reduce the strain on healthcare resources. I foresee that digital vaccination certificates will become mandatory in the near future for international travellers.

Joshua Yim
Chief Executive Officer
Achieve Group

Proof of Covid-19 vaccination would certainly proffer a high degree of assurance for international travellers, particularly high-level executives whose presence is required at international conferences, vital commercial negotiations and at highly-sensitive legal proceedings. Even for mid-level executives, proof of Covid-19 vaccination will be critical in facilitating international travel for work that cannot be performed remotely.

When carried out in tandem with other measures such as testing, movement restrictions, mutual recognition of vaccination certificates, proof of vaccination might be the key to unlock international travel as economies look towards post-Covid recovery and companies scale up operations, for this would without doubt cascade into the long-term growth of employment and income for workers at all levels.

Mario Singh
Chief Executive Officer
Fullerton Markets

The short answer is yes but there's more to it where governments are concerned. For example, Singapore doesn't currently require travellers to be vaccinated against Covid-19 before they enter the country. However, stringent tests and stay-home rules are in place to ensure that the virus does not enter the community. Hong Kong, on the other hand, is making it mandatory for people leaving the city for Singapore to be vaccinated.

In my view, the decision whether to implement mandatory vaccination hinges on two factors. Firstly, the overall control of Covid-19. Each country has different challenges to deal with and getting the virus under control precedes further government decisions on travel bubbles.

Secondly, other countries could still impose quarantine measures even for inoculated travellers. This would also impact the decision to travel, regardless of whether one has been vaccinated or not.

Lee Quane
Regional Director, Asia
ECA International

The rollout of global vaccination programmes has offered a glimmer of hope that we may be turning a corner in terms of being able to travel. The continued uptake of vaccines should quicken the return of normalcy but obstacles remain, including concerns over the efficacy of some vaccines and worries around the way data for proof of vaccination will be obtained, shared, stored and protected.

Furthermore, vaccination will not be possible for everyone. That, along with the unequal distribution of vaccines globally, imply that the requirement of proof of vaccination will impede the recovery of global travel. Governments should therefore continue to work towards achieving herd immunity for their populations – this way, all will be able to travel, and if an unvaccinated individual catches Covid-19, the risk of widespread transmission both at home and abroad will be low.

Chia Ngiang Hong
President
Real Estate Developers' Association of Singapore (REDAS)

As vaccines become readily available and clearer scientific evidence of efficacy emerges, the requirement to show proof of Covid-19 vaccination for international travel will be more tenable when a higher percentage of the world's population is vaccinated. Improved effectiveness of vaccines would enable fully vaccinated people to travel at lower risk to themselves and others. This should help pave the way for reopening of bilateral travel corridors and resumption of business and leisure travel. However, a blanket vaccination requirement may be overly inflexible at this point. It may be prudent to consider allowing travelling for those who present some form of digital health passes or with negative Covid-19 test results.

S Nasim
Group Executive Chairman
Meinhardt Group International, Singapore

Travel restrictions have taken a huge toll on not only the travel and related sectors but all other businesses that operate internationally too. While the digital revolution has enabled businesses to continue to operate in some way via virtual meetings, there is no denying that it is practically impossible to negotiate a big new contract through a virtual meeting. There is no substitute for sitting across the table and looking into the eye, or a handshake.

The advent of vaccines was vastly celebrated on the premise that it will protect people from the severe effects of contracting the disease. It would therefore be sensible to allow the vaccinated travellers to travel without quarantine requirements. Proof of vaccination in some form would be essential to prevent abuse. Current quarantine requirements in many countries are a huge disincentive for travellers.

Henry Tan
Group CEO
Nexia TS Group

There are a few questions that we need to answer before tackling this issue of whether a vaccine passport is a good step for travel. Firstly, how long do we expect Covid-19 or its variant to be around? It seems that it could be a long while. Some even say it will never go away. Second question is – if that is the case, what are the options for travel to resume? One would be travel bubbles between countries deemed mutually safe and another is the vaccine passport. How else can we start travelling safely again? So it's not a question of "should we" but what other options do we have?

Soong Chuan Sheng

Vice President, Corporate Development
Klook

There is a case to be made for both sides, especially given the importance of vaccine inequity and ensuring that it does not become a tool of discrimination. On the other hand, proof of vaccination will be critical as we move towards an incremental restart of travel worldwide. In an ever-changing post-pandemic world, it will act as a baseline for the industry to build on. It is also necessary to ensure that data is standardised and secure across the different vaccine passport options, ensuring a safe and seamless experience across regions and languages.

Lim Soon Hock
Managing Director
PLAN-B ICAG

Proof of Covid-19 vaccination for international travel would continue the well-tested and proven practice of immunisation for other diseases such as malaria, typhoid and smallpox. Given the seriousness of Covid-19, this proof is even more necessary. Everyone has a sacrosanct responsibility to contain the contagion if we desire more borders to be opened and widened at a faster pace, if not normalised, for international travel. It is a very small price to pay to protect oneself and others, wherever we are in the world.

I remain confident that countries and international organisations in the air transport industry, such as IATA, ICAO, will soon put in place the stringent checks, protocols and standards, to ensure the vaccine passport is authentic and can withstand the strictest of audits, much like existing immunisation certifications for other diseases, while more of the world gets immunised.

Covid vaccination is not a "nice to have" but a "must have" if we all want to travel safely from the health standpoint.

Toby Koh
Group MD
Ademco Security Group

Proof of vaccination is absolutely important for international travel. Every country is concerned about maintaining adequate healthcare resources for their citizens and residents. A vaccinated foreign traveller is unlikely to suffer critical ill effects of Covid-19 and hence would not take up precious medical resources. Alongside proof of vaccination, proof of adequate insurance would be necessary to cover unforeseen medical emergencies.

David Leong
Managing Director
PeopleWorldwide Consulting Pte Ltd

Implicit in the proof of vaccination is the reduced risk of being an infecting agent. This is a first step to the ring of defence and assurance to be put in place by every government. This creation of a globally acceptable health card is necessary to move forward.

Getting other governments to recognise these health cards may be a challenge. Airlines and hospitality business are the most severely hit sectors and recovery in the leisure-travel segment to pre-Covid levels is more than two years away. The best approach is to create bubble corridors between countries with the vaccine passports to ensure any flow of people can be effectively managed. Such controlled passages will ensure that infections can be managed at the lowest risk possibility.

Dora Hoan
Chief Executive Officer
Best World International Ltd

Even if Covid-19 vaccines are of proven efficacy and are universally available, proof of vaccination should not be a prerequisite for international travel. This is because vaccination should be done on a voluntary basis. In any case, proof of vaccination for cross-border travel should complement, not substitute, existing preventive measures, including swab tests. Also, vaccinated individuals with negative swab test results should be subject to shortened quarantine periods.

Glenn Gore
Chief Executive Officer
Affinidi Group

It is a country's right to want to protect its citizens. However, not every country has equal access to medical technologies, so a pragmatic approach of using Covid-19 health-related information in a privacy-preserving manner is key to safeguarding public health as borders reopen. Verifiable digital health credentials represent a great first step in enabling travellers to share their health information securely.

At the same time, quarantine, albeit time-consuming, continues to be an effective option for unvaccinated travellers to prevent new waves of infection.

In view of the impact of the pandemic on business and everyday life, and the preventive programmes that have been introduced, I believe that requiring health and vaccination documentation will lead us to a faster recovery than the alternative, which risks continued global travel restrictions over a longer term. It will also help with providing scientific data on the safest options to restart international travel.

Kartik Krishnamurthy
Managing Director, Asia
Cornerstone OnDemand

As countries begin opening up slowly, it's imperative that they continue to focus on the basics: personal hygiene, washing hands and face masks. The vaccine is a vital fourth element that people globally should adhere to. Infectious disease experts agree that being vaccinated gives travellers a very important and effective added layer of protection. Vaccination certificates may ultimately obviate the need for quarantine on arrival, which is currently impeding the return of international tourism.

Moreover, requiring proof of vaccination for international travel is not new. Such proofs have existed for decades in the form of the ubiquitous "yellow card" that people must present upon arrival in countries with certain endemic diseases, such as typhoid fever and malaria. We just need to keep in mind key issues like data privacy, as well as ethical concerns such as global vaccine inequities.

NOTICES

Tel 6289-8822 | Email notices@sph.com.sg | www.sphclass.com.sg

NOTICE OF CREDITORS' MEETING
INTER-PACIFIC PETROLEUM PTE LTD
(IN COMPULSORY LIQUIDATION)
(Company Registration No: 201115209N)
Winding Up No. 37 OF 2021

Take notice that a meeting of creditors in the above matter will be held via Zoom tele-conference at 11:00am on 26 April 2021.

To entitle you to attend, nominate and vote thereat, your Proof of Debt and form of proxy must be lodged with the Liquidator no later than 12:00pm on 22 April 2021.

A copy of the Proof of Debt form (prescribed Form CWU-1), form of proxy and this Notice have been dispatched to all known creditors of the Company on 14 April 2021. Any other person claiming to be a creditor of the Company as at this date may write to the Liquidator to request for copies thereof.

AGENDA

1. To update on the liquidation administration;
2. To consider the appointment of a Committee of Inspection; and
3. Any other matters.

Dated this 19th day of April 2021

Tan Wei Cheong
Joint and Several Liquidator

IN THE MATTER OF THE COMPANIES ACT, 1965 AND IN THE MATTER OF POI HUAT HARDWARE SDN BHD (IN LIQUIDATION) (18013-P)

TAKE notice that a distribution is intended to be declared in the above matter, and that any successors or beneficiaries to Mr. Tham Kwong Foo may contact the liquidator on or before 18 May 2021, for the purpose of distribution. Failure to submit within 30 days will result to further claims being expunged.

Dated this 19 April 2021

Chua Hock Hoo
Liquidator
Poi Huat Hardware Sdn Bhd (In Liquidation)
c/o Wisma Cheng & Co, No. 18-3, Jalan 2/114, Kuchai Business Centre, Off Jalan Klang Lama, 58200 Kuala Lumpur, Malaysia

In the Matter of
The Companies Act (Cap. 50)
And
In the Matter of
(1) CARLISLE HOSTEL MANAGEMENT PTE LTD
Reg No. 200204479R
(2) THE HILL LODGE @ MOUNT VERNON PTE LTD
Reg No. 200600437M
(3) QUEENSWAY STUDENT HOSTEL PTE LTD
Reg No. 200805016G
(ALL IN CREDITORS' VOLUNTARY LIQUIDATION)
NOTICE OF CREDITORS' MEETING

NOTICE IS HEREBY GIVEN that a meeting of creditors of the abovementioned Companies will be held by way of video conference, on the 28th day of April 2021 at (1) 2.00 p.m., (2) 2.30 p.m., and (3) 3.00 p.m. respectively, for the following purposes:

AGENDA

1) To provide an update on the status of the liquidation;
2) To approve the Liquidators' fees; and
3) Any other business.

Dated this 19th day of April 2021
LIM SOH YEN
Liquidator
c/o 133 New Bridge Road
#24-01/02 Chinatown Point
Singapore 059413

Acutus

Attendance by video conference:
Creditors may attend the meeting by way of video conferencing by submitting the proxy form and including the details of one of the attendee to us by email to lydia.loh@acutus-co.com / winnie.ker@acutus-co.com not later than 4.00 p.m. on 27 April 2021.

IN THE MATTER OF THE
INSOLVENCY, RESTRUCTURING AND DISSOLUTION ACT 2018
(No. 40 of 2018)
AND
IN THE MATTER OF
IN-V ASSET HOLDING PTE. LTD.
(IN MEMBERS' VOLUNTARY LIQUIDATION)
(Co. Reg. No: 201542948R)
(the "Company")
NOTICE OF FINAL MEETING

NOTICE IS HEREBY GIVEN pursuant to Section 180(1) of the Insolvency, Restructuring and Dissolution Act 2018 that the Final Meeting of Member of the Company will be held at 38 Beach Road, South Beach Tower, #29-11 Singapore 189767 on 20 May 2021 at 10 a.m. for the following purposes:

1. To receive the Liquidators' statement of account for the period from 18 June 2020 to 19 April 2021, showing the manner in which the winding-up has been conducted and the assets of the Company disposed of and to hear any explanation that may be given by the Liquidators.
2. To authorise the Liquidators to dispose of the books, accounts, documents and records of the Company and of the Liquidators 5 years after the dissolution of the Company, in the manner as determined by the Liquidators.

Yvonne Ang Ruey Shya
Liquidator
Date: 19 April 2021

THE BVI BUSINESS COMPANIES ACT, 2004
INTERIOR BLINDS TRADING LTD
Company Number 1935489
(In Voluntary Liquidation)
(the "Company")

NOTICE is hereby given pursuant to Section 204, subsection (1)(b) of the BVI Business Companies Act, 2004 that the Company is in voluntary liquidation. The voluntary liquidation commenced on 09 April 2021 and Mr Tan Chin Ren of 26 Eng Hoon Street, Singapore 169776 has been appointed as Liquidator.

Dated 09 April 2021

(Sgd.) Tan Chin Ren
Voluntary Liquidator

The global health crisis and all it entailed, including various safe-distancing measures and lockdowns, changed how people did their jobs. Once deemed impossible, Singapore banks found that they could still continue running, with up to 90 per cent of their staff working from home during Singapore's "circuit breaker" period between April to June 2020.

This comes as the banks here have invested heavily in technology and digitalisation over the past decade, enabling them to move quickly when the situation called for it.

Bankers that used to fly on the regular – usually those in corporate, wealth, investment banking and, to some extent, research – found themselves behind a computer screen, using videoconferencing to connect with clients, conduct due diligence, pitch for business and close deals.

Making it work in a crisis

With technology, cross-border dealings are made possible, even if it may not be the most ideal way to carry out business.

Dean Tong, head of group human resources at UOB, says that the bank has stopped business travel since March 2020 due to the pandemic.

Like many other workplaces during this time, employees used tools such as Microsoft Teams to engage clients and colleagues across its global network.

For instance, UOB's foreign direct investment (FDI) advisory team based in Singapore has been collaborating digitally with colleagues in Vietnam and Vietnam's Foreign Investment Agency since the onset of the pandemic, notes Mr Tong. This was aimed at exploring the facilitation of an additional pipeline of more than S$1.5 billion in FDI into Vietnam. Despite the complexities involved, they managed to pull off an expanded Memorandum of Understanding in November 2020 without having to meet with each other in person.

Lim Chai Leng, senior director, banking and financial services, Randstad Singapore noted that bankers have become accustomed to using videoconferencing tools to discuss deals and social-media channels to build their network and brand profile.

Even bankers working on mergers and acquisitions (M&A) are also exploring innovative ways to conduct business, such as digital mock-ups or drones to give their clients an aerial view of shipping ports, big-box retail locations or factories to bid on, she adds.

Andrew Gilder, Asia-Pacific banking and capital markets sector leader at EY, is seeing artificial intelligence-supported tools to assist relationship managers with enhancing their interactions so that they can provide insight, or look for signals from clients to help progress their discussion to close a deal or identify opportunities to cross-sell.

"Building rapport is easier face to face and so existing relationships have been important, but because everyone has been impacted in a similar way, it has not really been a disadvantage," he says.

Aside from meeting external stakeholders, banks are also tapping onto technology for internal meetings.

Prior to Covid-19, many banks had already implemented agile working and created more collaborative spaces to encourage staff to rub shoulders and share ideas, partly influenced by the fast-paced, startup culture seen in tech firms.

Randstad's Ms Lim notes: "When the circuit breaker came into effect, these spaces were shifted online. Teams started using Jamboards and project management software to manage resources and encourage brainstorming sessions."

Such technology investments are likely to continue post-pandemic even as more workers return to the office, she says.

Problems with virtual interactions

But while it has been proven that bankers can still do business virtually – in some cases even more efficiently than before – the human touch is proving to be irreplaceable.

David Leong, managing director of human resources consultancy PeopleWorldwide, says: "If it is measured purely on performance, then the virtual meeting delivers on all the critical deliverables of clarity, quick access and speed.

"However, as this is a people-to-people business where trust needs to be built with constant interactions, closing a deal needs more."

Randstad's Lim Chai Leng says technology investments made during Covid-19 are likely to continue post-pandemic even as more workers return to the office.

Sunny Quek, head of consumer financial services at OCBC Singapore, believes that trust remains essential in relationship-building – something that he finds lacking in video calls.

"It is kind of tough to build relationships over a video call – at least for my generation, I think relationships are better built face to face," he says.

Ex-banker Choo Oi Yee, who is currently the chief commercial officer of digital securities startup iSTOX, agrees: "For a virtual interaction to work, there must already be trust."

"In banking, if you want to take on a client to do an M&A, it's very hard to assess the true situation virtually, because it's not just about how the client describes the situation," says the former managing director of UBS.

"You can't just take what people are saying at face value, so that's where live interaction is very key. For M&A, advisors who are doing due diligence need to be there to get a sense – how do you know whether it is true if they say they are producing x amount in a facility?"

EY's Mr Gilder concurs that there is still value in bankers seeing the operations of a client first-hand.

"Client-facing bankers in relationship management, investment banking and, in some cases, research will travel to see clients as it is important to get to know the clients and their business – not just from a topline perspective but also from a risk management perspective," he says.

For many bankers, business travel is not just about productivity or meeting clients.

He notes: "For these organisations, it is important that these senior leaders are visible and set out a clear strategic vision for the bank. This can be done via webcasts and virtual meetings, but there is value in meeting their people in person."

While efficiency could go up without the need to meet physically, Zoom fatigue and overwork due to the blurring of boundaries while working from home were some issues that banks have had to grapple with.

The furore over 105-hour work weeks by junior bankers at Goldman Sachs led to the chief executive coming out to urge staff to respect a firm-wide policy of not working on Saturdays. Citigroup's head Jane Fraser announced Zoom-free Fridays, acknowledging that the pandemic-induced fatigue has taken a toll on workers everywhere.

Bank chiefs also worry that remote working will impact mentoring and innovation, as there is a certain vibrancy that is missing without face-to-face interactions.

"It is kind of tough to build relationships over a video call – at least for my generation, I think relationships are better built face to face."

Sunny Quek, OCBC Singapore

Observers expect pent-up demand for business travel in the first year when borders reopen as bankers rush to reconnect with clients. This will then taper down to become less frequent compared with pre-Covid times. PHOTO: AFP

In a recent letter to shareholders, JPMorgan chief Jamie Dimon noted that the apprenticeship model is "almost impossible to replicate in the Zoom world".

Over time, this could "dramatically undermine the character and culture" in your company, he wrote.

He also observed that the lack of serendipitous meetings, be it in the office or travelling to meet clients. Such a lack "virtually eliminates spontaneous learning and creativity", he noted.

OCBC's Mr Quek says this is partly why he is "not a proponent" for a 100 per cent work-from-home policy.

"When you come back to the office, it is through the interactions that you can maintain corporate culture and values. All this is through face-to-face (conversations), which is difficult to achieve with a video call," he notes.

Impact on the future of work

With banks transforming the future of work, it is inevitable that attitudes towards business travel will change.

Observers expect pent-up demand for business travel in the first year when borders open as bankers rush to reconnect with clients. This will then taper down to become less frequent compared with pre-Covid times.

OCBC's Mr Quek says that prior to Covid-19, he used to go to Malaysia for meetings each month. But he thinks that once borders open, it is unlikely that he will return to a similar schedule.

The relationship managers under his charge used to travel about once every two months to meet wealthy clients in the respective markets.

"For the less-important meetings, I think we will still do it through video – it's cheaper as well," he says. He estimates that business travel for his team could be halved going forward.

This also comes amid a strong push for banks to embrace the environmental, social and governance (ESG) agenda, with frequent flying going against these principles.

iSTOX's Ms Choo expects that a cut back in business travel, especially for bankers who have to fly frequently around the region in economy class, will be met with relief by some quarters.

The queues at the airport and traffic jams in certain countries will certainly not be missed, she quips.

However, she notes that there might be a certain quality that is lacking when bankers travel less and rely on video-conferencing more.

"I used to go to Hong Kong for trips, and I really love it because I feel that the people are so energetic, creative and entrepreneurial," says Ms Choo. "When you go there, the Hong Kong client is like throwing ideas at you: 'Hey, can we do this, or what do you think about that?' And I found the energy just very exciting.

"When you go somewhere with a different culture and see what is happening in places like China and India, there's really nothing that can replace (what you can gain from) travelling."

She also notes that Singapore bankers may be too used to being from a developed country, and "struggle to appreciate or embrace cultures" of neighbouring countries. This could be exacerbated when business travel is cut to areas such as Asean, which is a key portfolio for many banks and investors based here, she says.

With the many changes brought about by Covid-19, including sudden lockdowns and long quarantine periods, there is also the possibility that banks may decide to re-evaluate their workforce allocation strategy.

People-Worldwide's David Leong (right) thinks there could potentially be cost savings if banks choose to let go of office space, but the decision would depend on other factors.

"When you go somewhere with a different culture and see what is happening in places like China and India, there's really nothing that can replace (what you can gain from) travelling."
Choo Oi Yee, iSTOX

For example, banks that want to focus more on Greater China could base more bankers in those markets for a longer period of time, instead of having them flying in and out.

Ms Choo says that it is possible that this is an option that banks are looking at, but the market must be big enough to justify such a move.

"If there's already a part of the business that operates there, and there's some economic value to moving a team there, then definitely. And even if banks are not there yet, I think the whole lockdown will push people who are on the margins to cross that line," she adds.

With the world still plagued by uncertainties from the pandemic, workforce planning will be a key consideration for banks.

Randstad's Ms Lim says: "Financial institutions that have a goal to increase their presence in a particular market may need to make a strategic decision on whether to base their bankers in the regional office or to expand the on-shore team to reduce business travels."

One of the banks that have talked about potential changes in workforce distribution is DBS.

In this year's annual report, chief Piyush Gupta wrote: "The different lockdown requirements in different countries and markets showed us that concentrating large pools of employees in a single location comes with unforeseen risks.

"The ability to connect people from remote locations to our entire infrastructure created the possibility that we could have smaller teams of people work for us from regions where suitable talent is abundant."

As such, the bank is revisiting the locations of its incremental engineering resources.

With remote work now a possibility, one option that banks could potentially turn to is offshoring – a sensitive topic that most would like to avoid drawing attention to, given its effect on livelihoods.

Ms Choo does not think offshoring would impact the front-facing staff, but the middle- and back-end office roles could "structurally change".

"I think working from home has exacerbated this – there's very little incentive to do back-end work here. It's critical for your bank, but it doesn't necessarily have to be local."

That being said, she cautions that there are "massive implications" for such a move, with issues of quality control, training, and monitoring all coming to the fore.

EY's Mr Gilder concurs: "Our experience in the past year has proved that the remote working model can be pushed further and therefore creates the options for some roles to be based remotely, which opens up the opportunity for lower-cost locations."

With changes in workforce allocation and growing acceptance of hybrid work models, banks will also need to think about their office space and how it is optimised for working in the new normal.

It was reported that DBS has given up office space in Singapore and Hong Kong, with several other global banks doing the same. DBS has also said that it is likely to see more use of satellite offices.

All three local banks are in the midst of transforming their workspaces to become even more open, agile and collaborative, with DBS and UOB declaring hybrid work models.

PeopleWorldwide's Mr Leong thinks that there could potentially be cost savings if banks choose to let go of office space, but the decision would depend on other factors.

"Office space size reflects prestige and status, and may not need to have functional and utilitarian value," he says.

Even as banks navigate their own journey post-pandemic, it is still a work in progress with no fixed path to follow.

The only thing that is for sure is that there is no putting the genie back into the bottle.

"This pandemic has shifted behaviours and some behaviours, such as remote working, are here to stay," observes Mr Leong. "Work can still be done."

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@VivienShiaoBT

"Our experience in the past year has proved that the remote working model can be pushed further and therefore creates the options for some roles to be based remotely, which opens up the opportunity for lower-cost locations."
Andrew Gilder (above), Asia-Pacific banking and capital markets sector leader, EY

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Friday, April 16, 2021

SUSTAINABLE FINANCE

Asian investors need to prep for EU's new ESG challenge

COMPANIES & MARKETS / 4

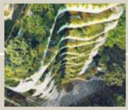
SINGAPORE PROPERTY

Shun Tak's debut residential project in Singapore to launch TOP STORIES / 2

LEADERSHIP THROUGH DISCUSSION

The three 'E's of management style

LEADERSHIP & MANAGEMENT / 19



FINANCIAL ADVISERS

Building Singaporeans' trust in financial-sector representatives

OPINION / 17

MARKETS

	Thursday	Change
STI	3,184.77	+5.38
KL COMP	1,608.25	+9.97
NIKKEI 225	29,642.69	+21.70
HANG SENG	28,793.14	-107.69
SHENZHEN B	1,130.93	-5.30
DOW (11AM EDT)	34,000.27	+269.38

DAILY DIGEST

Developers in Singapore sold 1,296 new private homes in March, double that of February's 645, with buyers snapping up luxury condos after a break during Chinese New Year. TOP STORIES / 2

Troubled home-grown retailer Naiise has gone into liquidation. The company's founder, Dennis Tay, will also be filing for personal bankruptcy. TOP STORIES / 2

Three former executive directors of Datapulse Technology have been reprimanded by the Listings Disciplinary Committee of the Singapore Exchange for breaching a mainboard listing rule. COMPANIES & MARKETS / 4

Credit ratings agency Moody's Investors Service has placed the B3 credit ratings of Grab under review for an upgrade, on expectations the company's US$39.6 billion listing could eliminate redemption risk. COMPANIES & MARKETS / 4

Executives at Goldman Sachs, JPMorgan Chase and Wells Fargo say consumers – their wallets padded by stimulus money – are itching to spend and companies are rushing to expand. BANKING & FINANCE / 10

Singapore's cybersecurity watchdog has issued an alert following the discovery of new vulnerabilities in over 100 million Web-linked devices. INDUSTRY / 15

VIRUS OUTBREAK: MANPOWER IMPACT

Building, marine, process sectors still struggling to get entry for workers

Some bosses speak of uphill battle to get approvals, especially for workers from India and Bangladesh; result has impacted projects and planning

By Rae Wee
raewee@sph.com.sg
@RaeWeeBT

Singapore

EMPLOYERS in the construction, marine and process (CMP) sectors continue to face difficulties getting entry approvals for their work permit holders – particularly those from India and Bangladesh – with some having submitted their applications repeatedly for months, only to face rejections multiple times.

Most are understanding of the current circumstances, and recognise that the government is in a catch-22 situation: bring in too many foreign workers at a go, and the country risks seeing an increase in imported Covid-19 cases.

But the lack of certainty on when workers can come in makes it difficult for employers to plan ahead. Many are still struggling to meet their contract deadlines, and have a tough time planning for their manpower or taking on new projects.

"I think there's a lot of rumour or speculation about how the (entries) are approved, but the exact requirement or criteria, I think nobody knows, except the authorities," said Thomas Oh, director of Beng Khim Engineering and Construction. "We just have to continue trying and hope that it will be approved."

Checks with eight other employers in the CMP sectors found similar circumstances. Many have submitted applications multiple times, only to be rejected. Some eventually saw success.

Some sources speculated that foreign workers from countries with a lower rate of infection, such as China, tend to get a higher rate of approval compared with countries such as India and Bangladesh, that are still hard-hit by the pandemic.

In response to queries from *The Business Times*, a spokesperson from the Ministry of Manpower (MOM) said the ministry "adjusts entry approvals dynamically, depending on the global Covid-19 situation and risk levels of countries and regions our work pass holders come from".

But the bulk of foreign workers in the CMP sectors now come from India and Bangladesh, said those in the industry. As such, the manpower crunch remains rife.

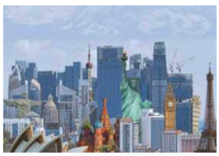
"The Chinese themselves are no longer as keen to work in Singapore because of the closing gaps in wages between China and Singapore," said David Leong, PeopleWorldwide Consulting's managing director.

Heatec Jietong, which provides piping and heat exchanger services for the marine, petrochemical, oil, and gas industries, is one employer facing difficulties getting the necessary approvals for its foreign employees.

Continued on Page 2

BT WEEKEND

The future of work for bankers, post pandemic



AFTER a year of remote working and curbs on business travel, the pandemic may have forever changed how bankers work. Finance professionals, especially those in corporate, wealth and investment banking accustomed to hopping on a plane, worked tethered to their homes and video calls. While technology has greatly enabled most functions, could the pandemic way of working reshape workforce planning, office space and organisational culture for banks? We find out in Brunch, this Saturday in *The Business Times Weekend.*

Online trading platform Saxo Bank was a fintech way before the term was coined. Founder and CEO Kim Fournais tells The Raffles Conversation about his mission to make investing accessible to all.

In the late stages of a bull market, it seems like everyone is making money hand over fist with little effort, greed takes over, and over-leveraged and outright investment scams become prevalent. In This Time Is Different, our columnist reminds us: Do not expect your banker, or the person at the dinner table recommending an investment to you, to do the due diligence that you should be doing.

Blown away by the mythic outperformance of private equity investments? Sorry to burst your bubble. In the Wealth & Investing section, a venture capital adviser unpicks some private equity fables, starting with the idea that performance reporting is reliable. Now who would have thought that, in an industry both enshrined in secrecy and under-regulated...

In Fine Print, our reviewer finds sharp truths in the well-researched and thoroughly readable new publication, *Has Asia Lost It?* Still on books, Barfly goes on a literary bender at Writers Bar in the storied Raffles Hotel.

And if you see, on the road, a stunningly sleek headturner of a car that looks like it just drove out of Downtown Abbey, it's most likely a Morgan. The boutique British carmaker's BMW-powered Plus Six has landed. Should car aficionados go against the grain and embrace these magnificent machines? The Steering Column considers.

To subscribe, visit bt.sg/subscribe

GLOBAL SHIPPING

Shippers navigate choppy waters amid high operational costs

By Mindy Tan
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Singapore

THE delays at the Singapore port may have eased marginally in March, but shippers continue to contend with rising operational costs arising from Covid-19 and other factors.

The daily average number of vessels staying at the Singapore port for more than two days in March was 49 per day, down from February's figure of 52 per day, according to data compiled by Ng Baoying, global managing editor for container shipping at S&P Global Platts.

Notably, at 52 per day on average, the February figure was a record high in at least the past four years. The figure of 49 per day on average is the second-highest figure in the data provided, which stretches back four years. The last time this peak was hit was in November 2020 before it climbed to 52 in Feb.

But this relief may be short-lived.

"The current focus is on container schedule disruption arising from the Suez Canal situation earlier," Ms Ng told *The Business Times* (BT). "Ports and shipping lines could see a surge as vessels that were held up earlier make their way through. And delays on the headhaul routes mean that vessels coming back to Asia will see a similar lag."

The giant container ship *Ever Given* grounded in the Suez Canal on March 23, leaving many cargo ships and bulk carriers unable to use the key trading route. It was refloated on March 29, creating a backlog of nearly 400 vessels that was only cleared by April 3.

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SINGAPORE PROPERTY

HK's Shun Tak to launch debut Singapore residential project

Super-luxe freehold development in Tomlinson Road expected to draw wealthy buyers from North Asia

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SHUN Tak Holdings' maiden residential development in Singapore, Park Nova, could gain traction with well-heeled buyers – especially from North Asia – as the project readies for launch amid improving sentiment.

Located in prime District 10, the super luxury freehold development at 18 Tomlinson Road has 54 units in the 21-storey residential tower. The units range in size from 1,432 square feet (sq ft) for a two-bedroom plus study to 5,899 sq ft for a penthouse.

The showflat will be open for preview on May 1, and is by appointment only, the developer said.

The Hong Kong-listed conglomerate acquired the site (formerly Park House) via collective sale with an aggressive bid of S$375.5 million, it was reported in mid-2018. This worked out to S$2,910 psf ppr.

Nicholas Mak, head of research and consultancy at ERA Realty, said: "With their maiden residential project, Shun Tak appears to be branding themselves in the super high-end segment, given the location and the size of the units." ERA is one of the marketing agents for the project.

Mr Mak added: "The project could see a higher than usual proportion of foreign buyers (including PRs) where over 30 per cent of the buyers could be foreigners."

Analysts said that Shun Tak's network — as well as its track record in China, Hong Kong and Macau – should help attract buyers from North Asia.

Park Nova has 54 units in the 21-storey residential tower. The units range in size from 1,432 sq ft for a two-bedroom plus study to 5,899 sq ft for a penthouse. PHOTO: SHUN TAK HOLDINGS

Savills' executive director (research & consultancy) Alan Cheong reckons the timing to launch the project is opportune since momentum has been building for the super high-end segment of the property market.

Edmund Tie & Company's senior director of research and consulting, Lam Chern Woon, said Singapore's successful efforts at containing the pandemic could entice affluent foreign buyers to invest in the private residential market here.

Noting the improved sentiment, Mr Lam said it is a fairly good time for the developer to push ahead with the launch, should a second wave of Covid-19 cases or property cooling measures crop up later.

Dominic Lee, head of PropNex's luxury team, expects Park Nova to appeal to buyers, especially ultra-high-net-worth individuals. PropNex is also a marketing agent for Park Nova.

Mr Lee said: "In our view, there is currently a dearth of supply of such units in the market and Park Nova will certainly fill that gap. Despite the border control measures, we are quite confident there would be sales at Park Nova. There are enough buyers, including Chinese buyers in Singapore, to create demand."

One market watcher suggested that Park Nova units could be offered for sale upwards of S$4,200 psf, while Mr Cheong put the figure at likely over S$4,500 psf. PropNex projects that prices could "hover around the S$5,000 psf" range, citing the project's luxe finishings and other transactions in the area.

Other projects for sale in the vicinity include the 154-unit Boulevard 88; 77-unit 3 Orchard By-The-Park; and 96-unit 3 Cuscaden.

Based on data from ERA which drew from URA caveats, the median unit price for transactions at 3 Cuscaden between July 2020 and March 2021 was S$4,053 psf. The median unit price for transactions during the same time frame at Boulevard 88 and 3 Orchard By-The-Park were S$3,696 psf and S$3,449 psf respectively.

According to Shun Tak's FY19 annual report, Park Nova was initially scheduled for launch in 2020 before the pandemic struck.

Market watchers suggested that the pandemic and the impact on construction activity, coupled with the property cooling measures back in July 2018, could have pushed the launch into 2021.

Shun Tak first annnounced it was acquiring the site back in June 2018, weeks before the Singapore government rolled out cooling measures which resulted in a softening in the property market. Then, its founder, casino tycoon Stanley Ho, died in May 2020.

Savills' Mr Cheong reckons that Shun Tak could have also been taking time to fine-tune the architectural plans.

Pansy Ho, managing director of Shun Tak, said: "We have been exploring investment opportunities beyond our home base of Greater China, with the acquisition of two residential projects and one commercial development. Our confidence in the Singapore market is at an all-time high and we are paving the way for future developments in the region."

Park Nova, slated for completion in 2023, is within walking distance of Orchard Boulevard MRT station on the Thomson-East Coast line, and close to Orchard Road and the Botanic Gardens. Facilities include a clubhouse, swimming pools, a gym and a sky terrace.

Not far from Park Nova, Shun Tak is developing the 14-unit luxury Les Maisons Nassim in the posh Nassim Road area as well as developing No 9 Cuscaden Road into a five-star hotel with at least 142 rooms.

According to Shun Tak's FY20 interim report, Les Maisons Nassim is expected to be launched in 2021 and completed in 2022.

Due to the pandemic, construction of the hotel "is expected to be delayed by approximately six months, with completion expected in early-2022 and planned opening in mid-2022," Shun Tak said in the interim report, adding that the hotel will be managed by the Artyzen Hospitality Group.

It also owns 111 Somerset in Somerset Road.

Naiise goes into liquidation; founder to file for bankruptcy

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TROUBLED home-grown retailer Naiise has gone into liquidation, after closing its last store last weekend following years of late payments to its vendors.

The company's founder, Dennis Tay, will also be filing for personal bankruptcy. In a Facebook post on Thursday, Mr Tay said he had "exhausted (his) savings and borrowed heavily from banks" to keep the business afloat and repay Naiise's vendors.

He also signed personal guarantees for the loans, "because as long as Naiise was still a going concern, there was a chance that Naiise would be able to repay, however slowly".

"Unfortunately, I am now out of time and options," Mr Tay wrote, adding that it has been "an extremely difficult two years" and that the last few weeks were "the darkest of (his) life".

Last Sunday, Naiise closed its Jewel Changi Airport store – its last and largest in Singapore, amid an ongoing struggle to pay its vendors.

It owes vendors sums ranging from hundreds of dollars to five-digit figures for selling their stocks on a consignment basis, and has reportedly defaulted on payments since as early as 2016.

Naiise was also fined S$8,000 last year for late payments of Central Provident Fund (CPF) contributions for employees. Currently, it has been charged with another offence under the CPF Act, with the case slated for hearing next week.

The company's current predicament is largely due to the pandemic and the investment it made in opening the Jewel store, Mr Tay had told *The Business Times* last week.

Naiise opened the nearly 9,500-square-foot store, which spans two floors, at Jewel in mid-2019.

"As a business owner, the blame for Naiise's demise is mine alone," wrote Mr Tay, who started Naiise in 2013, in his Facebook post on Thursday. "I'm sorry to the employees I let go. They helped build Naiise and I consider many of them friends. To those who are owed money, I am sorry I failed you all, and for all the inconvenience and distress this has caused. Apologies also to our marketplace sellers for shuttering operations so abruptly."

Building, marine, process sectors struggle to get entry for workers

■ Continued from Page 1

Since last December, group general manager Jenson Soon said he has been applying for entry approvals for six of his workers from India and Bangladesh – who were previously working in Singapore and had returned to their home countries prior to the onset of the pandemic – but to no avail. The rejections from MOM read: "The entry of pass holders needs to be staggered. This is to reduce the risk of importing Covid-19 and safeguard public health."

The e-mails provided alternative arrival dates that could be used for "a higher chance of an approval", but subsequent applications continued to be rejected.

"The main issue is (that) there is no concrete date when these workers can come in, so that we can at least plan for it," said Mr Soon, adding that there is also no certainty on whether the workers "will still be interested to come work with us in Singapore even when the entries are approved, which seems to take forever. (They) have been waiting since December and also need to find other work for money".

MOM told BT that in light of the entry restrictions arising from the pandemic, it has automatically extended the validity of In-Principle Approvals (IPAs) for work permit holders from the CMP sectors who are still outside of Singapore, till end-June this year. No further action is required from these employers and MOM will review whether there is a need to extend the IPAs beyond June 2021. Prior to this, IPAs – one of the requirements for getting foreign workers into Singapore – were only allowed to be extended once, and for up to one month.

Lim Ah Cheng, chief executive of Dyna-Mac Holdings, an engineering, procurement and construction firm for the offshore and renewable sectors, said his company has close to 300 foreign workers with IPAs. Of these, about 10 per cent have been granted entry approvals to date.

He said the situation has seen marked improvements, particularly after actively engaging with the government agencies. Mr Lim said his company currently has some projects that are facing delays, and is operating at 70-80 per cent of its original capacity. To overcome this, the company is outsourcing some of its fabrication work to local and overseas partners and multi-skilling its workers, among other measures.

James Yuen, director for Singapore operations at Gammon Construction said some of his projects have been delayed by three to six months. Heatec's Mr Soon said he faces delays of about three to four months.

Kenneth Loo, executive director and chief operating officer of Straits Construction, said that with no resource clarity, companies have to plan for existing and future projects according to "what we have now".

"I believe (the authorities) are trying to find a solution... (and) are doing their best, but of course some clarity, (such as) how many workers we are able to bring in every month, information like that is useful," said Gammon's Mr Yuen.

A marine industry expert, who declined to be named, said that while revealing such numbers might not necessarily help companies to better plan for their manpower as they are not company-specific, it at least provides employers with some peace of mind. "I think having that transparency facilitates the industry feeling that they are being given (the manpower)... that my sector is not being overlooked," he said. The authorities could also look into "ringfencing" the quotas according to sectors, rather than having the different industries compete for a pool of entry approvals, he suggested.

Meanwhile, PeopleWorldwide's Dr Leong said that given the current circumstances, it's "hard to provide any fair transparency on this, and it's best left to MOM to regulate the flow based on national priorities and criticality of the roles involved".

MOM said it will continue to monitor the situation "closely", and will "adjust our measures to better support employers and workers".

New private home sales double in March as buyers snap up luxe condos

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Singapore

DEVELOPERS in Singapore sold 1,296 new private homes in March, double that of February's 645, with buyers snapping up luxury condos after a break during Chinese New Year.

Wealthy buyers are expected to continue to be in the focus as half of the new projects slated to launch this year are in the expensive core central region (CCR).

Singapore is the hot favourite among well-heeled investors and wealthy overseas buyers looking for trophy properties, said Christine Sun, OrangeTee & Tie, senior vice-president, research and analytics.

"Backed by the prospects of further price growth and a better leasing environment, foreign demand is expected to return gradually. We may see more luxury homes being sold in the coming months as more luxury properties are slated to be launched," added Ms Sun.

March's strong volume brings first-quarter 2021 sales to 3,574 units, the highest quarterly figure since the second quarter of 2013 where 4,538 units were sold, noted Lee Sze Teck, Huttons Asia director of research. With Q1 data out, some consultants have revised upwards full-year 2021 sales to between 9,000 to 10,000 units from 8,000 to 9,000.

This year's Q1 sales of 3,574 units "is even higher than the third quarter of 2020 when Singapore exited a 'circuit breaker' and saw pent-up demand driving sales to 3,517 units. Buyers flush with cash and seeking stability are investing in stable assets like properties," said Mr Lee.

In March, the number of transactions in the most expensive region, CCR, was 546 units or 42.1 per cent of new sales, an eight-year high. Sales in rest of central region (RCR) and outside central region (OCR) made up 388 (29.9 per cent) and 362 (27.9 per cent) respectively. CCR, RCR and OCR sales in February 2021 were 58, 325 and 262 respectively.

The high CCR sales which accounted for 42.1 per cent or 546 units for March were helped by transactions in Midtown Modern, RV Altitude and The M. The previous high in the CCR was in November 2013, where 668 units were sold. The 558-unit Midtown Modern saw 368 homes or 66 per cent move at a median price of S$2,726 per square foot (psf). RV Altitude sold 77 units.

The figures – released by the Urban Redevelopment Authority (URA) on Thursday – exclude executive condominium (EC) units, which are a public-private housing hybrid. Including the 77 ECs sold, developers shifted 1,373 new homes in March, up 82 per cent from February and a 52 per cent increase from a year ago.

Private new home sales (excl ECs)

PERIOD	UNITS SOLD	PERIOD	UNITS SOLD
Jan 2021	**1,633**	Jan 2020	**620**
Feb 2021	**645**	Feb 2020	**976**
March 2021	**1,296**	March 2020	**660**
Year-to March 2021	**3,574**	Year-to March 2020	**2,256**
% change		**58.4%**	

Source: PropNex

Purchases by residential status and price range

	<$1.5M	$1.5 TO <$2M	$2 TO <$5M	>$5M
Singaporeans	462	368	223	10
Permanent Residents	93	45	32	3
Foreigners	13	13	27	2
Companies	1	-	-	1
Total	**569**	**426**	**282**	**16**

Source: URA, Huttons Research (as at April 15, 2021)

While March buyers mainly snapped up condos in the CCR, they went for the smaller, lower-priced units. Median home prices transacted in the CCR averaged S$1.66 million last month, said Goh Jia Ling, CBRE, South-east Asia manager, research.

Mr Lee said 44 per cent of the transactions in March were priced below S$1.5 million, 32.9 per cent were between S$1.5 million and S$2 million and 23.1 per cent were above S$2 million. Some 82.2 per cent of purchases were by Singaporeans, with permanent residents and foreigners making up 13.4 per cent and 4.3 per cent, respectively. There were 10 purchases by Singaporeans for properties priced S$5 million and above. In contrast, there were only two such purchases by foreigners.

Following Q1 2021's performance, coupled with increasing confidence from recovering economies, some consultants think full-year sales could top 10,000 units.

Advance estimates this week showed a slightly positive gross domestic product growth of 0.2 per cent year-on-year in Q1 2021, with full-year growth likely to exceed the upper end of the official 4-6 per cent forecast range.

Said Ismail Gafoor, CEO of PropNex: "In view of the brisk sales in Q1 2021 – at a total of 3,574 units (up by about 58 per cent year-on-year) – we now project private new home sales to likely cross 9,000 units for the whole of 2021, barring any new cooling measures being rolled out."

Despite last year being Singapore's worst-ever recession, a Knight Frank Wealth Report 2021 showed that the number of ultra-high net worth individuals (UHNWI) in Singapore rose 10.2 per cent or by 345 to 3,732 in 2020, said Leonard Tay, Knight Frank Singapore head of research. The report, released last month, defines UHNWIs as those with net worth of at least US$30 million, including their primary residence.

In tandem with Singapore's attractiveness among family offices, it was observed that both foreign and local homebuyers were looking to penthouses or units with more than 3,000 square feet, according to Mr Tay.

"With the limited availability of newly launched penthouses in previous months, penthouses in the resale market were sought-after by these UHNWIs who place greater priority on quality and living spaces," he added.

Now with more upcoming launches in the CCR, UHNWIs will have more choice when hunting for new units with large sizes.

He also noted that "notwithstanding the fall in median monthly household income from work in 2020, there has nevertheless been growth in this household income over the past 10 years (from 2010 to 2020) by almost 45 per cent, outpacing the 12.8 per cent increase in private residential prices over the same period."

Assuming that no new measures are announced or there is an unexpected resurgence of community infections of Covid-19 that could unhinge demand, there is every chance that the primary market would chalk up around 10,000 new sales in 2021, said Mr Tay.

Citi to exit consumer business in 13 markets

New York

CITIGROUP trounced analysts' first-quarter profit estimates on Thursday as its outlook for an economic recovery driven by vaccinations and government stimulus allowed it to release reserves set aside for loan losses from the pandemic.

The group said it will exit its consumer businesses in 13 markets across Asia and EMEA (Europe, Middle East and Africa), as part of a broader strategic review under new CEO Jane Fraser.

Like JPMorgan Chase, which reported earnings on April 14, Citi benefited from a boom in capital markets activity, but its consumer bank felt the impact of low interest rates that hurt earnings. Revenue fell 7 per cent on low interest rates and a 10 per cent decline in loans, largely due to lower consumer credit card loan balances. Partially offsetting the drag from interest revenue, investment banking revenue surged 46 per cent on stronger equity underwriting fees. Citi has been a Wall Street leader in raising money for the so-called blank-cheque firms or special purpose acquisition companies.

As part of its consumer sector shuffle, Citi will divest those businesses in countries like Australia, China and India. "While the other 13 markets have excellent businesses, we don't have the scale we need to compete," Ms Fraser said in a statement. Citi said its Institutional Clients Group will continue to offer services to clients and that it will continue to operate "wealth centres" in Singapore and Hong Kong, as well as London and the United Arab Emirates. It gave no time frame for the exits.

The divestment move is the latest step in Ms Fraser's drive to simplify the once far-flung Citi consumer business and improve shareholder returns.

Amol Gupte, Asean head and Citi country officer Singapore, said: "As a leading international financial centre, Singapore is a critical hub for Citi, serving as a global gateway for our clients in Asia and across the world. Our business strategy recognises the important role that the country plays for our consumer and wealth management businesses, as well as our institutional business."

In December, Citi opened its largest wealth advisory hub globally in Singapore. Singapore is Citi's largest forex hub in Asia, and is the regional liquidity hub for the bank.

For the first quarter, net income tripled to US$7.94 billion, or US$3.62 per share, from US$2.54 billion, or US$1.06 per share, a year earlier. Analysts on average had expected a profit of US$2.60 per share, according to Refinitiv IBES data. The bank's bottom line was bolstered by its decision to draw down US$3.85 billion in reserves it had built up for expected loan losses from the pandemic. A year earlier, it had added US$4.88 billion to its loss reserves. REUTERS

NWC convenes on Monday to relook wage guidelines

It will consider domestic and global economic situation, Singapore's pace of recovery

Calvin Yang
Manpower Correspondent

The National Wages Council (NWC) will convene on Monday to relook guidelines on wage and employment-related issues amid the Covid-19 pandemic.

In its deliberations, it will consider the domestic and global economic situation and outlook given the ongoing Covid-19 situation, as well as Singapore's pace of recovery, the Ministry of Manpower (MOM) said yesterday.

The NWC – which is chaired by DBS Bank chairman Peter Seah and comprises representatives from the Government, employers and unions – aims to announce the updated guidelines by the end of next month.

The high-level council meets every year to update guidelines on wage and employment matters.

Last year, the tripartite body, in a rare move, reviewed its wage guidelines for a second time as the coronavirus outbreak took a toll on the labour market.

It was only the fourth time since being set up in 1972 that the council was convened twice in the same year. The previous times came amid major economic crises as well, in 2009, 2001 and 1998.

Last October, the NWC said in updated guidelines applicable from Nov 1 last year to June 30 that employers may implement temporary wage cuts if it means saving jobs. But it added that employers should seek employees' support before doing so, and make only the reductions necessary to minimise retrenchments.

The council also convened earlier than usual in March last year to discuss wages in the light of the coronavirus outbreak. It usually meets in April and May.

Then, its initial annual recommendations focused on reducing non-wage costs and tapping government support first.

Some analysts said as business sentiment improves, the NWC would likely advise on the gradual restoration of wages that were cut last year amid a sluggish economy.

However, Mr Paul Heng, managing director of NeXT Career Consulting Group, pointed out that wages are a major component of business costs. He added that it would be useful for the council to tailor its recommendations to the various sectors, based on how badly they have been affected by the pandemic.

There should also be a focus on small and medium-sized enterprises, he said.

Dr David Leong, managing director of recruiter PeopleWorldwide Consulting, said wage calibration is always a sensitive issue, noting that the NWC convened twice last year to help manage the expectations of employers and employees.

"This restoration has to be progressive, as many employers are not entirely out of the woods yet," he added.

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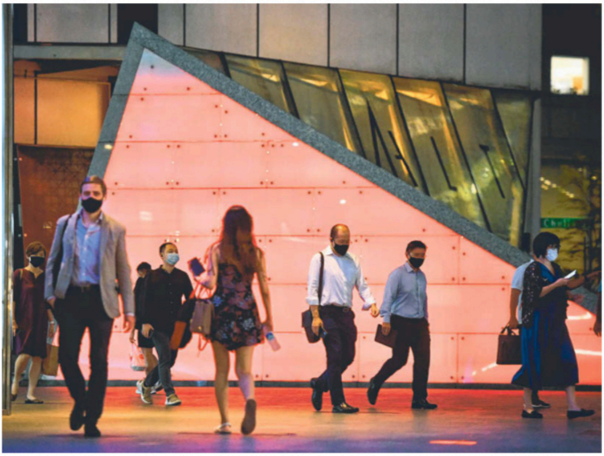
Some analysts said as business sentiment improves, the NWC would likely advise on the gradual restoration of wages that were cut last year amid a sluggish economy. But Mr Paul Heng, managing director of NeXT Career Consulting Group, pointed out that wages are a major component of business costs. He added that it would be useful for the council to tailor its recommendations to the various sectors, based on how badly they have been affected by the pandemic.



The National Wages Council – which is chaired by DBS Bank chairman Peter Seah and comprises representatives from the Government, employers and unions – aims to announce the updated guidelines on wage and employment matters by the end of next month. ST PHOTO: CHONG JUN LIANG

Zhao Zheng (top) had 24 charges under the Official Secrets Act (OSA) brought against her. Her friend Tang Lin (above) was charged with 10 counts of wrongful communication under the OSA. ST PHOTOS: KELVIN CHNG

Two Singaporeans charged over leaking of virus case numbers

David Sun

Two Singaporean women were charged yesterday in relation to the leaking of confidential Covid-19 information.

Zhao Zheng, 36, who was the deputy lead of the Ministry of Health's (MOH) data management unit, had 24 charges under the Official Secrets Act (OSA) brought against her.

The unit was set up by the ministry as part of the nation's response to the pandemic.

Zhao was arrested in April last year for allegedly leaking the confidential information, but was later released on bail.

Of the charges, 22 relate to her illegally sharing the number of new Covid-19 cases each day for 22 days between March 16 and April 16 last year.

Zhao had allegedly shared the daily numbers in a WeChat group which had 49 other members, prior to MOH releasing the numbers officially.

The remaining two charges relate to her sharing information on a Covid-19 patient with her friend Tang Lin, also 36.

With her privileged access, Zhao allegedly accessed an MOH Excel document titled "master", which contained the confidential details of Covid-19 patients.

At about 3pm on March 28 last year, she purportedly shared information on the patient with Tang, even though Tang was not authorised to receive such information.

Tang, whose occupation was not disclosed, was also charged yesterday with 10 counts of wrongful communication under the OSA.

Nine of the charges relate to her allegedly sharing the number of daily cases prior to the figures being officially released by MOH.

She is accused of doing this on nine occasions between March 26 and April 16 last year.

The figures were purportedly shared by Tang in a WhatsApp chat group with five other people.

The remaining charge relates to her allegedly soliciting confidential information on a Covid-19 patient from Zhao on March 28 last year.

In a statement on Tuesday, the police said they received a report from a member of the public on April 16 last year that the daily number of Covid-19 cases in Singapore had been leaked online prior to MOH releasing the figures.

Investigations traced the alleged source of the information to Zhao, who was then arrested.

The police said 64 other people who had received or communicated the confidential information will be issued with stern warnings or written advisories for offences under the OSA.

In response to queries, an MOH spokesman said Zhao has been suspended from her job.

"MOH takes a very serious view of any wrongful access and communication of information by our staff," she said.

"The officer was suspended from work once MOH was informed that the police had started investigations, and access to the ministry's confidential information was also terminated. Following the incident, MOH has reviewed and tightened our information security protocols and processes."

The offence of wrongful communication of information under the OSA carries a fine of up to $2,000 and a jail term of up to two years.

Unauthorised recipients of such confidential information are advised by the police to delete and not further circulate it, as they may otherwise be similarly liable under the OSA.

Zhao was offered bail of $10,000 and Tang, $5,000.

Both women are expected to be back in court for a further mention of their cases on May 5.

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Ex-prison counsellor gets 7 months' jail for maid abuse

A woman who slapped her maid so hard that she suffered a temporary loss of hearing was sentenced to seven months' jail yesterday.

Gayathri Iyer, 51, was convicted in February following a trial of two counts of abusing her maid, Myanmar national Thang Khaw Lam, 30.

She suffered hearing loss in her left ear for at least a month. She later recovered from her injuries and was found to have normal hearing.

Ms Thang Khaw Lam started working for Gayathri's family in June 2017 at the Pebble Bay condominium in Tanjong Rhu Road.

On Oct 27 that year, the housewife hit the maid's shoulder after the domestic worker used the word "mah" when talking to her.

Using a mobile phone, Ms Thang Khaw Lam took photographs of the bruises, which were at the top of her shoulder and extended slightly to her back.

The second incident happened on Dec 7 that year, at about 5.40am, when Gayathri slapped her for failing to wake her son who was then serving national service.

Ms Thang Khaw Lam was doing the laundry then.

Gayathri slapped the maid twice on her left ear and once on her right. The maid said she could not hear anything in her left ear for the whole day.

About five days after the incident, Ms Thang Khaw Lam fled from Gayathri's home and told the police about her ordeal.

She recovered from her injuries by Sept 5, 2018.

District Judge Tan Jen Tse acquitted Gayathri of two other assault charges involving the maid, finding the domestic worker's evidence in these instances not unusually convincing.

Yesterday, Deputy Public Prosecutor Tan Ee Kuan urged the court to jail the accused for nine months, saying there was an oppressive relationship between the maid and her employer.

Gayathri's lawyer Kalidass Murugaiyan asked the court for a sentence of nine weeks, saying his client used to be a counsellor at Changi Prison, and had pledged to donate all of her organs despite being a Hindu.

District Judge Tan, in sentencing Gayathri to seven months' jail, said the prosecution had not proven beyond reasonable doubt that there was a sustained pattern of abuse.

And the judge was not able to find that the victim had suffered psychological harm.

He also ordered Gayathri to make compensation of about $5,330 to the maid.

Gayathri is appealing against the sentence, and is out on $15,000 bail.

For each count of assaulting a maid, she could have been jailed for up to three years and fined up to $7,500.

David Sun

Gayathri Iyer entering the State Courts yesterday. She had been convicted in February of abusing her Myanmar maid, after slapping her so hard that she suffered a temporary loss of hearing. ST PHOTO: KELVIN CHNG

Coronavirus Singapore

DPM: Countries must deal with structural challenges accelerated by pandemic

Michelle Ng

While massive fiscal and monetary support has helped to stabilise the global economy, countries also have to deal with longer-term structural challenges that have been accelerated by the Covid-19 pandemic, Deputy Prime Minister Heng Swee Keat said.

Speaking at the meeting of Group of 20 (G-20) finance ministers and central bank governors yesterday, Mr Heng, who is also Finance Minister, said that curbing the spread of the virus takes top priority.

In a Facebook post recapping the virtual meeting, he said: "When conditions are right, countries should also work together to open borders safely. But we should look beyond the immediate term."

One long-term challenge countries have to deal with is climate change, he said, adding that building a lower-carbon future is key.

At the conference, chaired by Italy, he expressed Singapore's commitment to contribute to the newly re-established G-20 Sustainable Finance Study Group co-chaired by the United States and China.

The G-20 brings together the leaders of 19 major economies and the European Union, and was convened to coordinate a response to the 2008 global financial crisis.

The current crisis is the first major recession confronting the grouping since then, and yesterday's meeting sought to discuss how countries can overcome the Covid-19 pandemic and get back on the path to economic recovery.

"We heard many good points and ideas from participants on how we can work together to maintain stability, and get the world back on the path to economic recovery," said Mr Heng. "We must also do more to prepare for future pandemics."

Senior Minister Tharman Shanmugaratnam also participated in the conference. He is one of three co-chairs of the G-20 High Level Independent Panel, which seeks to identify financing gaps for pandemic preparedness and response, and the panel gave an update on its work at the meeting.

Singapore is not a G-20 member, but has been invited to participate in the grouping's meetings in most years. It is the convener of the Global Governance Group, an informal group of 30 small and medium-sized United Nations members established in 2009 to promote greater dialogue between the G-20 and the broader UN membership.

LONG-TERM VIEW

When conditions are right, countries should also work together to open borders safely. But we should look beyond the immediate term.

DEPUTY PRIME MINISTER HENG SWEE KEAT, in a Facebook post yesterday recapping the virtual conference of G-20 finance ministers and central bank governors.

Other invited guests this year are Asean chair Brunei, the Democratic Republic of Congo, the Netherlands, Rwanda and Spain.

At the meeting, G-20 finance ministers also agreed to extend the moratorium on debt interest payments for the world's poorest countries until the end of this year, "in the light of the persistence of significant liquidity needs related to Covid-19".

Italy's Economy Minister Daniele Franco told reporters they did not discuss extending a common framework on how to manage these debt payments to include middle-income countries.

He also said a US proposal for a global minimum corporate tax rate was consistent with ongoing work in the G-20. A deal on this is expected to be reached in July, when the ministers next meet, he added.

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Unemployment falls for 4th straight month

The rate among residents down to 4.1% in February, from 4.3% in January

Calvin Yang
Manpower Correspondent

Manpower Minister Josephine Teo said it is encouraging to see that government support for employers to expand local hiring has nudged them to consider a more diverse group of job seekers. But she said the next dip in unemployment will depend on hiring demand being sustained among employers, and job seekers' willingness to consider roles they previously did not. ST PHOTO: LIM YAOHUI

Singapore's unemployment rates dropped for the fourth consecutive month in February, as the economy continued to slowly recover from the Covid-19 pandemic.

The unemployment rates peaked in September last year and persisted through October, before falling steadily since November.

Singapore's hiring situation has continued to improve, with declines seen across the overall, resident and citizen unemployment rates, said Manpower Minister Josephine Teo yesterday.

A report by the Ministry of Manpower the same day revealed that the overall unemployment rate fell to 3 per cent in February, down from 3.2 per cent in January.

Resident unemployment, which refers to Singapore citizens and permanent residents, declined to 4.1 per cent, from 4.3 per cent in the preceding month.

Meanwhile, the citizen unemployment rate dropped to 4.3 per cent, from 4.5 per cent previously.

About 96,800 residents were unemployed in February, including 85,900 citizens. This is down from 101,900 unemployed residents in January, of whom 89,300 were citizens.

In a Facebook post, Mrs Teo said: "Although the unemployment rates remain elevated and have not yet returned to pre-Covid-19 levels, we are seeing good progress with jobs growth."

She noted that under the Jobs Growth Incentive (JGI), which encourages employers to bring forward the hiring of local workers through wage subsidies, payouts were made to some 27,000 employers, who collectively hired 130,000 local workers in the first three months of the scheme's implementation.

"It is encouraging to see that government support for employers to expand local hiring has nudged them to consider a more diverse group of job seekers. This includes those from different sectors, those who were previously not employed, and those aged 40 and above," Mrs Teo said.

GOOD PROGRESS

Although the unemployment rates remain elevated and have not yet returned to pre-Covid-19 levels, we are seeing good progress with jobs growth.

MANPOWER MINISTER JOSEPHINE TEO, in a Facebook post.

However, she cautioned that with every dip in the unemployment rate, the next drop is likely to be harder to achieve.

"It depends on whether hiring demand is sustained among employers, and their willingness to look beyond candidates with familiar profiles," she explained.

"The remaining job seekers too may need to consider job roles or sectors they previously did not, and be willing to invest time to reskill."

Analysts told The Straits Times that business sentiment is picking up, with the effective management of the pandemic here allowing more workers to return to their workplaces.

PeopleWorldwide Consulting managing director David Leong said that government support, such as the JGI, and policy tweaks that favour Singaporeans, have also contributed to falling unemployment rates.

Mr Paul Heng, managing director of NeXT Career Consulting Group, said the beginning of the year typically sees businesses having fresh hiring budgets. He noted that it is still too early "to categorically say that our economy is recovering", as it is dependent on other countries.

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SME sentiment at its highest since start of pandemic: Survey

Sue-Ann Tan

Sentiment among small and medium-sized enterprises (SMEs) is at its highest since the pandemic began, with companies looking beyond survival to seize new opportunities, a survey noted yesterday.

The sentiment index surrounding the second to third quarters of this year has hit 49.9 – up from 48.2 in the first three months of the year – the highest reading since the pandemic began early last year.

A reading of 50 means companies are neutral regarding their prospects, while anything above it indicates companies expect to expand over the next six months. A reading below 50 points to expectations that business will contract.

"This second consecutive improvement in the reading of the quarterly index shows that business sentiments among SMEs are on the rise," said Mr Lam Yi Young, chief executive of the Singapore Business Federation (SBF).

"The gradual reopening of our economy, the easing of business restrictions, and the wide range of Budget measures announced earlier this year have given a much-needed boost to the confidence of our SMEs."

The SBF and information services company Experian compiled the index after a poll of about 2,100 local SMEs in six sectors that was conducted from Jan 18 to Feb 26.

The sectors polled were commerce and trading; construction and engineering; manufacturing; retail and food and beverage; business services; and transport and storage.

Companies in internal-facing sectors, like construction and engineering, saw the biggest leap in outlook.

"This is likely due to the easing of Covid-19 restrictions, which has enabled the resumption of business activities on a broader scale," the SBF said.

SMEs registered improvements across all seven indicators used to compile the index – turnover, profitability, business expansion, capital investment, hiring, capacity utilisation and access to financing.

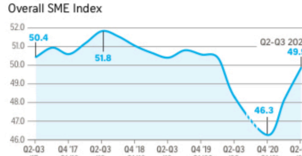
Most notably, they are expecting an easing of their access to financing for the first time since the second and third quarters of 2019.

Most SMEs anticipate a sales rebound over the next six months amid an easing of business restrictions, the SBF said.

Companies have also increased their capital investment expectations to keep pace with changed work processes, such as remote working on a broad scale.

Improvement

Overall SME Index



*Note: Q3 20 - Q4 20F (forward looking) data collection paused due to circuit breaker

Source: SINGAPORE BUSINESS FEDERATION STRAITS TIMES GRAPHICS

They might also be exploring opportunities delayed by the pandemic, the SBF said.

It added that hiring expectations rose to support expansion. "The ongoing economic recovery and availability of various government support measures may also have boosted the ability of SMEs to replace and bolster their workforce."

Mr James Gothard, Experian's general manager for credit services and strategy for South-east Asia, said: "Following an unprecedented contraction of the economy in 2020, this year is poised to be characterised by promising signs of a partial and gradual recovery.

"While SMEs remain cautious in the near term, many are keeping an eye on business opportunities."

Mr Gothard said SMEs appear to be gradually relaxing the wait-and-see approach they had previously adopted as the uncertainty dominating preceding quarters begins to recede, but he warned that the pandemic poses ongoing risks.

"It will remain important for SMEs to boost their overall resiliency towards any unexpected shocks to the global economy," he said.

"With government support schemes for SMEs continuing into 2021, SMEs will need to explore and invest in aspects such as manpower upskilling and digitalisation, both of which could help firms remain competitive and relevant in the long term."

Mr Lam said: "Many are looking forward to rebuilding their businesses after the devastating impact of the Covid-19 pandemic. SBF is also revving up our efforts to support our SMEs with guided assistance and to help them position for recovery and growth."

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Must-reads

THE BIG STORY

Socialising less, working more since circuit breaker

People in Singapore have been socialising less and working more since the circuit breaker last year, according to a poll. It found that 61 per cent of the 1,000 respondents said they now socialise less frequently with those outside their immediate family than before the restrictions were put in place last April. **A1**

OPINION

Biden's stimulus plans may have painful side effects

Less than a month after the passage of the American Rescue Plan, US President Joe Biden has announced an infrastructure package. On balance, the stimulus plans would be a welcome shot in the arm for Asia and the global economy, but some of its second-round side effects could be painful, says associate editor Vikram Khanna. **A21**

Without foreign travellers, tourist boats sat idle in Bali last month. PHOTO: AGENCE FRANCE-PRESSE

WORLD

Indonesia continues push to reopen tourism industry

Indonesia is pressing ahead with plans to slowly reopen its tourism industry, Tourism Minister Sandiaga Uno said. Indonesian officials are in active discussions with their counterparts in Singapore to allow limited travel to Indonesia. Other countries that may let their countrymen travel to Indonesia include China, the Netherlands, Poland and Ukraine, Mr Sandiaga added. **A13**

WORLD

Officials figure out what led to Taiwan train crash

The truck that caused the recent train crash in Taiwan was on the track for just over a minute before it was struck, officials said yesterday, adding that the train operator had done all he could to prevent the crash. The findings were disclosed after investigators attempted to reconstruct the moments that led up to last Friday's tragedy. **A14**

PHOTO: EPA-EFE

SINGAPORE

Pandemic boosted use of existing tech, says Vivian

There are silver linings in the tragedy of the pandemic, such as how the outbreak has boosted the use of existing technologies, said Minister-in-charge of the Smart Nation Initiative Vivian Balakrishnan. He was speaking at a panel discussion during a virtual summit organised by the World Economic Forum. **B2**

BUSINESS

Crypto market in S'pore remains small: Tharman

The size of the crypto market here remains small, Senior Minister Tharman Shanmugaratnam said. The combined peak daily trading volume of three major Singapore dollar-quoted cryptocurrencies was 2 per cent of the average daily trading volume of securities on the Singapore Exchange last year, he added. **B18**

5 long weekends next year, amid hopes leisure travel can resume

While some yearn for getaways abroad, these can resume only if quarantine regulations are lifted

Ng Wei Kai

For freelance facilitator Angie Woo, 56, low numbers of Covid-19 infections in some countries and Singapore's own vaccination drive are feeding hopes that international travel may be back on the cards next year.

"At this point I'm dying to get out," she said. "Places like Australia and Taiwan seem good options as they have low infection numbers."

Mrs Woo, who was vaccinated in January, hopes that if enough people are vaccinated, quarantine requirements between countries with low infection rates may be relaxed. And the mother of two children in their 20s hopes to be able to use some of the long weekends next year for a family vacation.

There will be five long weekends next year, one more than the four this year, the Ministry of Manpower announced yesterday in its release on gazetted public holidays.

In fact, six of the 11 public holidays fall on a Friday, Sunday or Monday.

As Labour Day and Hari Raya Aidilfitri fall on consecutive days on Sunday, May 1 and Monday, May 2 next year, they will be part of a single long weekend of four days. May 3, a Tuesday, will be a public holiday.

Observers note that overseas travel has been sorely missed by many in Singapore, and long weekends mean less when home is now synonymous with the workplace.

PeopleWorldwide Consulting's managing director David Leong said the year-long work-from-home arrangements many employees have been faced with due to the coronavirus pandemic have increasingly blurred the line between weekdays and weekends.

"Long weekends were a celebrated getaway for most. Now, they're muted and less of a thrill since travel bubbles are still not properly formed for safe travel," he added.

Ms Alicia Seah, director of public relations and communications at Dynasty Travel, said that while the skies are not yet clear, her agency has begun receiving calls from vaccinated customers asking where they might be able to travel to.

"People seem to be less keen on local tourism as the pandemic wears on, but international leisure travel can resume only if quarantine restrictions on both ends lift," she cautioned.

Some, however, are not too fussed about travelling in the near future. Business associate Kristerbel Pang, 24, who travelled often before the pandemic, is considering using her own leave to extend one or two of the long weekends.

But she is also concerned that even if international travel restarts, it could be hurt by spikes in prices due to pent-up demand.

"I might go on a cruise to nowhere, or spend time with friends and family. The most important thing about holidays is the people you spend them with," she said.

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Visitors to Coastal PlayGrove at East Coast Park last month. Observers say that people here seem to be less keen on local tourism as the pandemic wears on, and that overseas travel has been sorely missed. ST PHOTO: LIM YAOHUI

Singapore's public holidays in 2022

Public holiday | Take leave on this day

PUBLIC HOLIDAYS	
New Year's Day	Jan 1
Chinese New Year	Feb 1, 2
Good Friday	April 15
Labour Day**	May 1
Hari Raya Aidilfitri	May 2
Vesak Day*	May 15
Hari Raya Haji	July 9
National Day	Aug 9
Deepavali	Oct 24
Christmas Day*	Dec 25

*The following Monday will be a public holiday.
**The following Tuesday will be a public holiday.

Source: MINISTRY OF MANPOWER STRAITS TIMES GRAPHICS

24 new Covid-19 cases in Singapore, all imported

Ng Keng Gene

There were 24 new Covid-19 cases confirmed as at noon yesterday, taking Singapore's total to 60,519.

They were all imported cases who had been placed on stay-home notice on arrival in Singapore, said the Ministry of Health (MOH).

There were no community cases and none from migrant workers' dormitories.

Among the 24, five are permanent residents who returned from India and Malaysia.

One is a dependant's pass holder who arrived from Ukraine, while another is a long-term visit pass holder who arrived from the Philippines.

Another two are student's pass holders who arrived from India.

Meanwhile, 13 arrived here for work.

One of them is a work pass holder who arrived from Bangladesh, while 12 are work permit holders who arrived from Bangladesh, India and Malaysia.

MOH said that one of the work permit holders is a foreign domestic worker.

The last two imported patients are short-term visit pass holders who arrived from India.

One came to visit family members who are permanent residents, while another came for a work project in Singapore.

MOH said that the number of new cases in the community has remained stable at an average of two cases per week in the past fortnight.

The number of unlinked cases in the community has also remained stable at two cases per week in the same period.

With 25 cases discharged yesterday, 60,224 patients have fully recovered from the disease.

A total of 48 patients remained in hospital yesterday, including one in the intensive care unit, while 202 were recuperating in community facilities.

Singapore has had 30 deaths from Covid-19 complications, while 15 who tested positive have died of other causes.

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2

Average number of new cases per week in the community in the past fortnight.

The number of unlinked coronavirus cases in the community has remained stable at two cases per week in the past fortnight, said the Ministry of Health. ST PHOTO: KELVIN CHNG

Update on cases

New cases: 24

Imported: 24 (5 permanent residents, 1 work pass holder, 12 work permit holders, 1 dependant's pass holder, 1 long-term visit pass holder, 2 short-term visit pass holders, 2 student's pass holders)
In community: 0
In dormitories: 0

New community cases in the past week: 2
(2 unlinked cases)

Active cases: 250
In hospitals: 48 (1 in ICU)
In community facilities: 202

Deaths: 30

Patients with Covid-19 who died from other causes: 15

Total discharged: 60,224
Discharged yesterday: 25

TOTAL CASES: 60,519

THIS WEEK'S TOPIC

Will legislating the new code of conduct on tenancy agreements level the playing field between landlords and tenants?

Towards fair tenancy practices

Going beyond the Code . . . the best landlord-tenant relationship has to be based on mutual respect and reciprocal trust. SPH FILE PHOTO

Victor Mills
Chief Executive
Singapore International Chamber of Commerce

THE new Code of Conduct for Leasing of Retail Premises is long overdue but very welcome. For far too long the relationship between landlords and tenants in Singapore has been unfair and in favour of landlords instead of recognising the symbiotic relationship between both parties fairly. The new Code corrects this imbalance. It is yet another silver lining of the pandemic which has highlighted the urgency for change. I hope all landlords and tenants will adopt the new Code of Conduct and see it in their best mutual interests. Legislation can be kept as an option in the unlikely event they do not.

Lawrence Loh
Director, Centre for Governance and Sustainability
NUS Business School

The new Code of Conduct will definitely be a good governance framework to achieve a fair balance of expectations between landlords and tenants. It will help the parties manage responsibilities in a clear and explicit manner. However, this Code cannot be taken to a be-all and end-all. We have to go beyond the Code. The best landlord-tenant relationship has to be based on mutual respect and reciprocal trust. The finest outcome is that there is even no need to refer to the Code in sustaining a long-lasting bond between landlords and tenants. This is the way to go to forge win-win partnerships.

Yeoh Oon Jin
Executive Chairman
PriceWaterhouse Coopers

THE guidelines in the Code of Conduct for Leasing of Retail Premises are a timely and positive development to facilitate negotiations between retail tenants and landlords in an uncertain economic climate largely driven by the Covid-19 pandemic. Whilst the Leasing Principles and the Checklist provide a documented framework to better support tenants for new leases to be negotiated from June 1, 2021, landlords would also welcome deviations from the single rental structure for retail premises that attract high footfall or for tenants that have remained resilient throughout the pandemic.

David Kuo
Co-founder
The Smart Investor

A RENTAL agreement between a landlord and tenant should be based on fairness. It should be the start of a long-term relationship between two parties that can only be successful if there are tangible benefits to both parties.

The landlord wants sustainable and recurring income. The tenant wants safe and secure premises where there is reasonable certainty over costs. The Code of Conduct for Leasing of Retail Premises in Singapore is a strong signal of intent that a level playing field could be beneficial to both sides. Isn't it about time for a similar code of conduct for the home rental market?

Chia Ngiang Hong
President
Real Estate Developers' Association of Singapore (REDAS)

THIS Code of Conduct on retail tenancies sets out the key terms to bridge some major differences between landlords and tenants with the aim to ensure fairness between both parties. It is important to have clear guidelines and negotiation principles for landlords and tenants in order to create a healthy retail ecosystem that promotes the industry's long-term growth. I believe the Code will provide the right platform to build sustainable and collaborative landlord-tenant relationships and I can see that a soft legislative approach would help facilitate its effective implementation/adoption which ultimately should hopefully help both parties find acceptable and balanced solutions in terms of their respective commercial interests.

Moray Armstrong
Managing Director
CBRE Singapore

THE Code of Conduct is a much welcome change to the retail industry. It bridges the gap between landlords and tenants, fostering a more sustainable retail environment in the long term. This framework tilts the scale to achieve a more equitable balance in the leasing dynamics. With improved transparency in data and lease agreement clauses, initial hurdles could be minimised, which helps to accelerate business decisions for retailers, in turn encouraging new entrants into Singapore. In the longer term, this seeks to raise the competitiveness of Singapore's retail sector, which will be timely when we are at the forefront of Covid-19 recovery.

While billed as guidelines for landlords and tenants, this will most likely not be a one-off exercise and will mark the beginning of a more collaborative environment.

Toby Koh
Group MD
Ademco Security Group

THE new Code of Conduct for retail tenancy will most certainly ease the concerns of retailers. From their perspective, this framework helps cut risk to their entity. However, I am also sure that the shareholders of retail malls will have concerns over profitability. We have to keep in mind that such contracts are entered into by parties on a willing and able basis, with each side calculating their own benefits.

The changing face of the retail trade both online and off will continue to morph. I am of the opinion that online purchasing trends will have substantially more influence on tenancy agreements and terms than this framework in the near future. Market forces will prevail.

Ng Beng Tiong
Deputy Group CEO and Group COO
ARA Asset Management Limited

ARA supports the new Code of Conduct on tenancy agreements. We have always been a firm believer that all business relationships should strike a balance in the sharing of risks and rewards. The new Code will help to build trust, reduce ambiguity and provide greater clarity on the 'rules of engagement' during lease negotiations. With the new Code in place, we are confident that landlord-tenant relationships will be enhanced over time, and all parties can focus on the more important objectives of achieving long-term business success and helping the Singapore retail sector recover and emerge stronger from the impact of Covid-19.

Helen Ng
Chief Executive Officer
Lock and Store

RENTS based on single computation could be disadvantageous to small businesses who might not be able to afford market rates. The "whichever is higher" formula allows these businesses to enjoy a lower rent in malls and gives them time to build up their business. The insolvency clause disadvantages small retail tenants in the long run because they are not likely to have the means to provide audit documents in the first place to prove insolvency. Landlords would shy away from renting out to them and choose more established tenants instead.

Lee Chong Win
Chief Executive Officer
Logicalis Asia

MANY seemingly successful retail tenants have wound up their businesses or terminated their leases due to unfavourable terms that made continuing untenable. The already dire circumstances faced by tenants are exacerbated by the advent of the food delivery culture and online shopping. Notwithstanding the convenience and efficiency of eCommerce, I wish for Singapore to have a balance between digital and brick and mortar. Indeed, the pleasure associated with walking out of your favourite retail outlet, shopping bag in hand, easily trumps simply checking out an online shopping cart. A Code of Conduct supporting fair tenancy agreements is critical to create a sustainable and vibrant retail industry. As such, I welcome this new Code of Conduct. I also applaud the government's move to take the lead by being an early adopter. Beyond that, the government should also strongly encourage government-linked landlords to follow suit. Ultimately, we will only see the full benefits of this Code of Conduct when it becomes law.

David Emery
Chairman
Reciprocus International Pte Ltd

COVID-19 was a rude awakening on both aisles of the rental business, and this new Code of Conduct for Leasing of Retail Premises is indeed going to deliver the long-overdue levelling of the playing field between all parties involved.

We have seen throughout 2020 how retail fronts have been heavily impacted due to the circuit breaker and subsequent restricted entry due to social distancing. It is now the right time to breathe new life into the ecosystem and revise the old contracting formats we have grown accustomed to, where landlords indeed had the upper hand that inevitably put a lot of financial stress on retail businesses when under pressure. Additionally, full transparency related to third party expenses will go a long way to eliminating unnecessary misinterpretations and misunderstandings, especially during challenging times.

Mario Singh
Chief Executive Officer
Fullerton Markets

THE new Code of Conduct is certainly a step up from the voluntary Fair Tenancy Framework launched in 2015. Over the past year, I've heard my fair share of stories from tenants who complain about sustainability issues and lack of support from landlords.

One of the most important issues which the new Code helps to resolve between tenants and landlords is the level of certainty. As an example, the clause of "either/or" or "whichever is higher" relating to base rents and/or percentage of gross turnover in some contracts has always favoured landlords, in good times and bad. With the proposed 'single computation' method, tenants would not need to worry about paying a higher rent when their sales increase. I look forward to seeing the retail market roaring back with the help of this new Code especially under these trying times.

David Jacob
CEO, Regional
Marsh Asia

THE new Code of Conduct allows additional flexibility for retail tenants, but such flexibility may increase the risk to landlords who could in turn seek higher guaranteed minimum rental levels. Retailers with higher risk profiles, including those more in need of flexibility, may therefore struggle to secure their desired retail space. As with insurance, the success of a policy will be measured by the strength of the wording and its ability to respond in a dispute. This is critically important when considering changes to Early Termination of Leases, and landlords are likely to seek additional guarantees. Other non-industry-specific risks, such as supply chain disruption, have great potential to disrupt business. Retailers need to ensure they continue to build resilience in their business and have robust preparedness.

Seamus Phan
Chief Content and Technology Officer
McGallen & Bolden® Group

IN an organised nation like Singapore, the government and judiciary are often the best trusted mediators. The pandemic has certainly unified Singapore – whether the government, businesses, institutions, and individuals – to recognise that only corporate success together can empower an individual's success or survival. Landlords in Singapore have had too much unfair and unsustainable leverage. In these trying times, it is finally clear even to the uninitiated that such rentals are unsustainable. This Code of Conduct is not a panacea, but it's offering an olive branch in the right direction.

Zaheer Merchant
Regional Director (Singapore & Europe)
QI Group of Companies

THERE is no doubt the Code of Conduct will help in many ways towards levelling the playing field between parties. The fact that the Code is mandatory in aspects will also ensure this. However, this is only scratching the surface since ultimately (and leaving aside industry dynamics) the potential size of any business (as tenant) will be a key factor in bargaining power. There is a marked difference between a large entity (and thereby anchor tenant) and a smaller firm in terms of innumerable aspects that affect the lease arrangements and allow a tenant to have greater "say" in the tenancy agreement.

Lim Soon Hock
Managing Director
PLAN-B ICAG

TENANTS would naturally seek to minimise rent while landlords would want to maximise it. This "conflict of interests" has always been an underlying contentious issue between the parties.

To the extent that the Code of Conduct for Leasing of Retail Premises addresses this, it is a welcome step in levelling the playing field between landlords and tenants.

Either party must not profiteer not just in challenging times, taking advantage of the other, such as during this Covid-19 crisis, but also in good times. The Code of Conduct must deter this, and take the defaulting party to task. A case in point: Landlords should pass the rental subsidies from the government to tenants and not retain them for themselves.

Henry Tan
Group CEO
Nexia TS Group

IN this new normal of shorter business cycles and fast-changing market conditions, this is a timely change to level the playing field between landlords and tenants. The right to terminate from both tenant and landlord allows fairer and faster adjustment to business conditions. The single computation of rent is also a great leveller. For retailers, already faced with challenges, being "penalised" if they do better sales is a double whammy to the business. I look forward to more 'phygital' retailing so that customers can have the best of both online and physical shopping.

Annie Yap
Founder & Chairman
The AYP Group

LEGISLATING the new Code of Conduct on tenancy agreement can greatly equalise the playing field between landlords and tenants. This goes both ways, as the new Code has to recognise that a property belongs to a landlord and needs to be taken care of. It also has to protect the rights of tenants and ensure that they are being treated fairly. As the new Code of Conduct aims to do this, I believe it does have the potential to not only greatly level the playing field between landlords and tenants, but also bring them together.

Dora Hoan
Best World International Ltd

THE new Code of Conduct on tenancy agreements is a necessary step towards a more fair and balanced tenancy relationship. Indeed it is a breakthrough as it acts to safeguard tenants' interests, and helps to mitigate any imbalance in the tenant-landlord relationship. The new Code encourages both parties to achieve a fair position through negotiations, with a Fair Tenancy Industry Committee set up to supervise the implementation of the Code and to resolve disputes. This is especially vital in the effort to create better conditions to restore retail competitiveness and to achieve a win-win situation.

David Leong
Managing Director
PeopleWorldwide Consulting

RETAIL leasing practices can be onerous and Covid-induced stresses on the retail and F&B sectors have opened up glaring wounds and caused casualties among tenants. The crux of the issue is the size of the landlords (who are typically publicly-listed retail REITs), and to the tenants, it is a real case of David versus Goliath. Legislation will level the playing field, especially for most small retail and F&B businesses, and take into account the inherent vulnerabilities of the sector. The lease agreement should pivot fairly, taking away a lot of onerous clauses, such as the "either/or, whichever is higher" rent formula that would benefit landlords.

Lee Siang
Chief Executive Officer
Dyslexia Association of Singapore

An important question to consider is: What are the expectations of the stakeholders? It is highly likely that they have different preferences among them. At the Dyslexia Association of Singapore, many of our meetings and classes are now offered in "dual mode". Participants can choose to attend in person or virtually. This safeguards our employees' and students' health while at the same time offering flexibility of choice and catering to individual learning, working and engagement styles. Such an approach can be adopted by companies for the AGM as well as other events and activities.

Chia Ngiang Hong
President
Real Estate Developers' Association of Singapore (REDAS)

Virtual and physical meetings have their own respective pros and cons. A hybrid allows shareholders to circumvent geographical or administrative obstacles that may hinder attendance without depriving other shareholders the opportunity to engage company directors in person.

I believe that as companies pivot towards better governance, transparency and shareholders' engagement, the benefits of virtual AGMs could outweigh physical meetings as technology enablers develop and evolve further.

As such, it might be counter-productive to impose a mandatory requirement for hybrid. Each company should consider various factors including shareholders' profile and their relative preferences, digital readiness of the company, its capacity to replicate physical AGMs effectively, and the company's financial resources.

Ultimately, AGMs should allow for the highest possible level of openness, accessibility and scrutiny by the shareholders towards the company's performance and governance.

Gan Ta Loong
MD, Barco SEA and
VP Immersive Experience, Barco APAC

Companies have been forced to move their AGMs online as Covid-19 hit last year. With most shareholders still connecting remotely, a hybrid model that combines virtual and physical aspects of AGMs may prove to be the most effective for all parties.

With virtual meetings, stakeholders miss out on real-time experiences such as Q&A sessions. Such limitations can be overcome with the right technology to improve communication and engagement through body language and micro-expressions.

Hybrid meeting models can dismantle physical barriers by empowering stakeholders to join the AGM from anywhere in the world, eliminating travel time and costs. While a fully virtual AGM might not be suitable for all, the hybrid model may be a noteworthy substitute.

Samit Chopra
MD, International (EMEA & Pacific) Strategy & Operations
WeWork

Given the current circumstances and the evolving nature of the pandemic, hybrid is the way to go. Physical meetings may have returned in some form but we should acknowledge the opportunities that virtual engagements have brought – more global and diverse participation, which might previously have been limited by travel.

In-person meetings and collaboration will remain crucial, especially in shaping company culture and employee engagement.

At WeWork, we are seeing gradual but strong interest in the return of in-person events – ranging from business planning to launches – with priority on balancing safety, productivity, logistics and employee sentiment.

Maren Schweizer
Director
Schweizer World Pte Ltd

Digital-only live format is the way forward. By doing so, we have to ensure (1) shareholder rights, (2) the ability to ask questions before and, more importantly, during meetings, and (3) governance. Voting integrity and reliable vote-counting also require new regulation standards.

In 2021 we are not jumping at the deep end. Blockchain (DLT) technology such as Nasdaq eVoting, for example, is here while corporates and technology providers can build on 2020 experiences.

We shall offer our shareholders on-demand video training and trial sessions in advance to ensure proper and lively remote interaction during shareholder meetings.

Besides, we could provide several satellites in the form of smaller conference meeting rooms to be used by shareholders close to their location, easily accessible by all means of transport.

More than ever, it is vital to work together with our shareholders to build trust and find common ground in times of high-pace digital transformation.

Sridhar Pinnapureddy
Chairman
CtrlS & Cloud4C

While virtual AGMs will likely never achieve the same level of connectedness as face-to-face meetings, they offer a lot more flexibility and transparency. Similar to the shift of physical stock exchanges to virtual trading platforms, e-AGMs result in increased accessibility, time management, cost savings with less logistics involved.

I believe a hybrid approach to AGMs is far more effective as it removes the barriers of a traditional AGM while adhering to safe management measures. Using the right technology tools to ensure communication and security issues are addressed is one way to ensure the meetings are more informative.

Alper Turken
SVP, Service Provider, Asia Pacific
CommScope

Businesses are adjusting the way they operate to better adapt, scale and innovate with the use of technology in today's context. The current environment, in particular with travel restrictions, has accelerated the adoption of virtual events since it breaks down geographical barriers.

In physical meetings, technologies-enabled solutions and services such as facial recognition and thermal scanning will be essential to manage the health and safety of the attendees.

For a virtual session, it is critical that the network connection provides an optimal upstream bandwidth experience that allow participants to be as engaged as they would be in person. Connectivity will play an important role to ensure both platforms deliver the desired outcomes.

Kannan Chettiar
Managing Director
Avvanz

Based on my experience in Avvanz working with several companies to help them with digital transformation -related training for staff and to digitalise their processes and organisation as a whole, I am a big advocate of hybrid (or phygital) meetings. Our upcoming Techstival conference will be delivered in this format.

A virtual AGM, if managed properly, can be even more effective in terms of discussions, collaboration and of course is cost and time-efficient. Pushing the boundary to hybrid provides a viable option to those who need the physical touch. Q&A, voting and polling can all be done in the phygital format too.

With the government's push for digitalisation across all demographies, there is no excuse of not being familiar with how to function in a phygital environment.

Lex Lee
Chief Strategy Officer
TOP International Holding

e-AGM sounds like a sensible alternative as it is cost-efficient, reduces commuting time, yet provides a platform for Q&As. Ensuring that shareholders understand the company results, are able to vote on certain decisions, and can ask any burning questions, are the primary objectives of an AGM. These must remain key whichever mode the AGM is conducted in.

Current technology and adoption rate may still be nascent in achieving these, given the high costs of losing the dynamic interactions. Hybrid would be a good in-between approach to drive adoption and refine the use case. For a start, the emphasis should still be tilted towards the physical mode.

It is a similar philosophy we take when we roll out our Future of Work initiatives – optimising the available technology while not losing sight of the purpose.

Michael Yap
Executive Director and Deputy Chairman
Azeus Systems Limited

The hybrid AGM format will give companies greater flexibility in accommodating shareholders' preferences by giving shareholders the option of attending either physically or virtually. That said, shareholders who attend AGMs virtually should get the same experience and rights as those who attend in person.

The virtual platform must enable high interactivity between shareholders and companies, where all parties are given full access and parity in addressing questions from all channels – including audio, video and textual forms.

When done seamlessly, the hybrid format transcends physical AGMs. It enhances the convenience of physical AGMs through digitalisation and expands a fuller suite of interactive opportunities for stakeholder engagement and participation.

Victor Mills
Chief Executive
Singapore International Chamber of Commerce

Virtual AGMs were necessary last year. However, they are predominantly one-way communication vehicles favouring the company.

General meetings need to enable engagement and transparency. Boards need to engage with their shareholders and vice versa.

General meetings should always be a two-way street. Shareholders need to feel the proceedings are fair and transparent and give them opportunities to ask questions.

While they do cost more, holding a hybrid AGM is the best way of satisfying the twin goals of mutual engagement and transparency while providing flexibility and safety. That is why the Chamber's 180th AGM will be a hybrid event in 2021.

Ang Shih-Huei
CEO and Co-founder
Klareco Communications

While companies have adapted well to virtual AGMs, we believe that this may not be ideal over the longer term. It is important that shareholders have a useful platform to hear directly and engage with the management of a company.

On the other hand, a fully physical AGM is a thing of the past – it is both costly and time-consumptive for companies, particularly those with a large shareholder base.

The pandemic has challenged conventional norms, and has shown that there are merits of incorporating the virtual format into AGMs.

To embrace the benefits of both the virtual and physical formats, companies would benefit from the hybrid format for AGMs. The focus now needs to be on streamlining the requirements to conduct the hybrid format in an effective and efficient manner.

Mario Singh
Chief Executive Officer
Fullerton Markets

The medium in which AGMs are held should not be as important as the purpose of holding them. It is quite disappointing to read that shareholder attendance for Singapore listcos' meetings in 2020 fell by 70 per cent compared to 2019 numbers. Granted, this could be due to the switch from physical to online meetings due to the pandemic but it should not cause such a drastic drop in shareholder participation.

A quick glance of the SGX website shows that almost all the listco meetings for April 2021 will be "held by electronic means". Hence, shareholders really need to gear up to the new norm of digital meetings.

According to Berkshire Hathaway chairman and CEO Warren Buffett, investors should invest in companies that they both understand and believe will offer long-term value. If this statement by one of the world's most successful investors is taken seriously, then AGMs – whether virtual or physical – are the best place for shareholders to find out, directly from the management, about the future of the company.

Aman Gupta
Managing Partner
SPAG

The way we do business today has changed. AGMs also need a complete overhaul in the way they are conducted. Hence,

a. While virtual AGMs are the way ahead, it is equally important to sensitise all stakeholders on how they can be part of the AGM virtually, as well as derive the full experience.

b. Robust support systems need to be created where there is a well-oiled mechanism to address any queries or concerns. Having additional sessions to train people and clear doubts is a good option too.

c. Today's digital conferencing tools are advanced and allow you to get a full networking experience through breakout rooms and chat rooms. These should be utilised as they allow engagement with the leadership and enhance networking.

Those who innovate are the ones that will stand strong. Stakeholders will henceforth look at innovation and creativity as the winning strength that defines purpose.

Andrew Yeo
Chief Executive Officer
NTUC Income

By adopting either physical or virtual AGMs, companies can attain resource and event management efficiencies. A hybrid format, however, diminishes such efficiencies although it offers shareholders choice in attending the AGM in their preferred format. For virtual AGM attendees, benefits include greater convenience, with time saved on commuting.

The focus should then be about boosting the virtual event experience to encourage attendance. Unfamiliarity with navigating the virtual platform is one hurdle that companies can help tackle by providing technical support before and during the event.

The delivery format of the AGM, for example, in webinar style with host facilitation, can be considered to enhance engagement and interactivity with attendees. There is much room to bring about a new way of delivering quality AGMs to shareholders in our new environment.

Annie Yap
Founder & Chairman
The AYP Group

In the future, it would be interesting for companies to adopt a mix of both physical and virtual AGMs. Both physical and virtual AGMs have their various benefits and adopting a hybrid of both would give companies the opportunity to reap a variety of benefits from them.

Physical AGMs allow attendees to interact on a personal level, while virtual AGMs widens the reach and allows attendees to attend regardless of their location. Having a mixture of both would mean that organisations can benefit from the flexibility of online AGMs, while still not missing out on the personal touch that physical AGMs have.

Lim Soon Hock
Managing Director
PLAN-B ICAG

AGMs are good opportunities for listcos to engage more and openly with shareholders. Getting maximum participation by shareholders therefore must a sacrosanct goal of the board. Hence if physical meetings can attract more participation than virtual meetings, and are permitted, boards have the moral and fiduciary responsibility to provide this.

Other than providing updates, AGMs are also an excellent opportunity for the board to address shareholders' concerns and to listen to their recommendations. Listcos stand to benefit more when more shareholders attend.

Companies should also offer virtual AGMs as an alternative to those who may opt for it. We can reasonably expect the hybrid model to maximise participation, allowing the boards to achieve the goal of maximum participation by shareholders.

Kong Wan Sing
Founder and CEO
JustCo

The pandemic has accelerated the speed of digitalisation globally, allowing businesses to efficiently perform tasks, organise meetings and collaborate between teams remotely. With growing acceptance of workplace environments that combine virtual and physical interactions, companies are appreciating the benefits of virtual AGMs including reduced commuting time and the ability to convene a dispersed workforce in a cost-effective manner.

Businesses are also leveraging mobile-friendly productivity tools and tech-enabled innovations to provide seamless collaboration opportunities for their workforce. As demand increases, workspace experience providers like JustCo continue to support businesses by offering hybrid solutions such as varied physical meeting spaces, and workspace technologies like digital apps, AI-driven software and video conferencing hardware across all its locations.

David Leong
Managing Director
PeopleWorldwide Consulting Pte Ltd

A hybrid model for AGMs with physical meetings and e-meetings is most efficacious in terms of time and resources. Most AGMs are flow-through sessions with set procedures. With no contestable agendas and routine proceedings to pass resolutions, such perfunctory sessions can be easily organised as virtual meetings. The technologies for large-scale e-meetings with auditable voting and polling mechanisms, quorum count and "right to speak" are all embedded in the applications that make e-meeting seamless.

The difference is, for e-meetings, the "sights, sound and fury" part may be missing. The debates may not be as rambunctious as seen physically with the cacophony of nays or ayes. Many members partake in the physical AGM also for the get-together and food. E-meetings dispense with the buffet spread.

In any case, I strongly advocate for the hybrid model to be the prevailing standard for AGMs.

David Kuo
Co-founder
The Smart Investor

The AGM should be the most important event in any shareholder's diary. It is not only our right to vote on important issues, but it is the time when we can ask probing questions about how our business is being run. It can be uncomfortable for some directors. But we are, after all, part owners of the business.

So it is not a question of whether companies should be required to adopt hybrid AGMs. Instead, it is a question of whether a company respects enough the views of the people who are financing the business to make AGMs fully inclusive.

The full list of views from CEOs is available at http://businesstimes.com.sg


From left: In the poll of 1,000 people, almost four in five of the 500 respondents who drive but do not currently own a hybrid or electric car said they were willing to switch; almost 90 per cent said there were benefits to eating locally produced food; and four in five of those currently not on green electricity plans were at least somewhat willing to consider switching to such plans. PHOTOS: CHONG JUN LIANG, LIANHE ZAOBAO

KEEN ON GREEN, BUT AT WHAT COST?

The Singapore Green Plan 2030 is the nation's blueprint for a more sustainable future, but people here have differing views on green living and accepting the trade-offs that they face in the sustainability journey

Audrey Tan
Environment Correspondent

Ng Keng Gene

Stanley Lim is all for living the eco-friendly life mapped out under the Singapore Green Plan 2030 – as long as it costs him nothing and does not inconvenience him.

The world is not going to end during his lifetime, says the 45-year-old teacher over the phone.

On the other hand, Jay Ang, a 38-year-old engineer, recently shelled out an extra $8,000 for a hybrid car instead of one that runs only on petrol.

All his appliances at home – from the television to the refrigerator to the washing machine – are water- and energy-efficient models that cost him more money. But that is a small sacrifice for the greater good, he acknowledges.

The responses of the two men fall on opposite sides of the spectrum and highlight the different views people here have about green living and the price they are willing to pay for sustainability.

This is according to a poll of 1,000 people by The Straits Times and online market research firm Milieu Insight. The online survey follows last month's release of the Singapore Green Plan 2030, which charts a more sustainable path forward for the country.

The plan sets out sustainability targets, like having more energy-efficient buildings and improving Singapore's resilience to the impact of climate change, such as by boosting local food production.

The trade-offs at the national level were discussed during the parliamentary debate on Singapore's sustainability efforts earlier this month. Ministers cited Singapore's lack of land for large solar farms and access to renewable energy sources as impeding its efforts to decarbonise its energy sector more rapidly.

The experiences of Mr Lim and Mr Ang also highlight the trade-offs that individuals face in the sustainability journey, which the Government says must be a whole-of-nation endeavour.

Nanyang Technological University's (NTU) Professor Shirley Ho, who studies public opinion dynamics related to science, technology and the environment, says every effort matters, even if the carbon footprint of the individual is small compared with industry's environmental impact. This is because the green transition will affect people's personal lives, as the job losses in the oil industry have shown, she says. But beyond that, using the technology and infrastructure outlined in the Green Plan also needs buy-in from the people.

Consider food security: Will people be willing to consume novel foods, such as plant-based and cultivated meat? As far as energy is concerned, will the public be willing to accept clean but controversial sources, such as nuclear energy?

"All these sustainability efforts require public support and acceptance," adds Prof Ho.

INDIVIDUAL CONUNDRUM

There are five themes to the Green Plan – among them "energy reset" and "sustainable living". The poll asked respondents for their views on actions that individuals can undertake under each one.

For instance, under "city in nature", 97 per cent said they were supportive of the nation's greening efforts. A handful expressed concern over encounters with wildlife or falling tree incidents, but only about 10 of the 1,000 men and women polled indicated that having nature in the city – the upside being the ability of greenery to lower urban temperatures – was not worth the potential risks.

Respondents were also asked about their willingness to consider sustainable choices, such as green electricity plans, energy- or water-efficient appliances, or electric or hybrid vehicles. Responses varied.

Cost and inconvenience topped the list of reasons why many said they were hesitant about doing so.

Almost 90 per cent said there were benefits to eating locally produced food. The produce is fresher, some said, while others felt that local food production will increase the country's resilience against global food supply shocks.

But almost half of this group were undecided about or disagreed that these benefits were worth the potentially higher prices.

Separately, almost four in five of the 500 respondents who drive but do not currently own a hybrid or electric car said they were willing to switch, mainly because of environmental reasons.

Those who were less willing cited the higher costs of cleaner vehicles and the inconvenience in looking for charging points or waiting for the vehicle to charge up.

Prof Ho, who is also NTU's research director for arts, humanities, education and social sciences, says communication material for the Green Plan – such as the website and the video featuring five

SERIOUS CONSEQUENCES

Climate action will not slow long-term growth, it is climate inaction that will exacerbate disasters and derail sustained growth.

DR VINOD THOMAS, a former senior vice-president of the World Bank and a visiting professor at the National University of Singapore, on the impact of climate inaction.

The Singapore Green Plan 2030 sets out sustainability targets, like having more energy-efficient buildings. ST PHOTO: KUA CHEE SIONG

Jobs in sustainability sector may not require special skills: Experts

From public affairs to market analysis to research work, jobs in the sustainability sector are wide-ranging and may not require specialised skill sets, say human resource experts.

"There is a general misconception that you need to be highly skilled in technical roles to participate in the green economy," says Ms Jaya Dass, managing director for Malaysia and Singapore at recruitment firm Randstad Singapore.

Mr Lewis Garrad, career solutions leader for Singapore at American human resources consulting firm Mercer, agrees: "There are core skills that may not be overtly linked with sustainability that every green job will require."

These include skills such as environmental awareness and willingness to learn about sustainable development, a global mindset, critical thinking, problem-solving and collaboration skills, he adds.

The HR experts were responding to findings from a survey of 1,000 people by The Straits Times and market research firm Milieu Insight, which asked about their willingness to join the green economy.

More than half of the 100 people who said they were hesitant about joining the sustainability sector cited their lack of skill sets or knowledge about the sector.

The remaining 900 said they were open to joining this sector, with about 65 per cent of them indicating they wanted to contribute towards local and global sustainability action.

As Singapore strives to build back better from the economic fallout of Covid-19, the Government has identified new sectors of growth for the country, such as in green finance and carbon services.

Last August, Minister for Sustainability and the Environment Grace Fu also said that 55,000 new and upgraded jobs would be created in the sustainability space over a decade, and could include roles in environmental services and agritech.

Ms Betul Genc, Adecco Group's country manager for Singapore, highlighted three sectors that she thinks could be significantly impacted by the push for environmental sustainability.

The energy sector, for instance, will require different labour and employment structures as the world moves towards more renewable energy.

This requires workers to be reskilled to ensure more diversified employment opportunities along the entire value chain, such as in sales and distribution or the installation, operation and maintenance of equipment and infrastructure.

NOT SMALL JUMP BUT BIG LEAP

Being a carbon service hub and pivoting to be a centre for green finance means that Singapore can play a pivotal role not only for our country, but can stretch across to other countries and regions. This is not a small jump, like crossing a drain. It's a big leap into the greener pastures of possibilities for the green economy.

PEOPLEWORLDWIDE CONSULTING MANAGING DIRECTOR DAVID LEONG

The automotive industry also looks set to be affected by the green push, as the uptake for electric cars in Singapore increases.

Firms within this sector will seek talent with new skills that are in higher demand today, such as neural network engineers, material scientists, and software and sales specialists for new electric vehicles.

Trends in tourism point towards more sustainable lifestyle experiences, said Ms Genc.

She noted that Singapore is home to eco-friendly hotels and attractions, citing plans for Sentosa to be turned into a carbon-neutral destination by 2030.

"The workforce within the hospitality sector will need to be trained with new skills to adapt to the new wave of hospitality trends," she adds.

But Ms Genc notes that while the opportunities in this sector are abundant, the process of job creation will be gradual.

"Not all jobs will automatically reappear in the same industries they were lost in. This is why it is crucial to maintain labour market mobility and flexibility," she adds.

PeopleWorldwide Consulting managing director David Leong says Singapore's development into a green economy will allow it to tap opportunities elsewhere.

"Being a carbon service hub and pivoting to be a centre for green finance means that Singapore can play a pivotal role not only for our country, but can stretch across to other countries and regions," he says.

"This is not a small jump, like crossing a drain. It's a big leap into the greener pastures of possibilities for the green economy."

Ng Keng Gene

Coronavirus Singapore

Jury is out on going for Taiwan-Palau travel bubble model

Experts say that for Singapore, vaccination will be key in helping it regain its attractiveness as a tourist destination

Linette Lai

Could the Taiwan-Palau travel bubble provide a model for Singapore to emulate, paving the way for leisure travel to take place between one sunny island and another?

The answer is not quite so straightforward. According to the experts, travel bubbles with other islands are not likely to be inherently safer than similar arrangements with any other country. Instead, much depends on whether governments are in control of the Covid-19 situation within their borders.

Last Wednesday, Taiwan said it will open its first travel bubble with the Pacific island nation of Palau next month, with tour groups to follow a government-approved schedule and visit only certain tourist sites. They will also have to observe social distancing rules, and cannot venture off on their own.

While it may be easier for local authorities to regulate entry and exit to an island, as opposed to policing long stretches of land borders, success still boils down to a country's ability to keep a close eye on its territory, said Professor Teo Yik Ying, dean of the National University of Singapore's Saw Swee Hock School of Public Health.

"If surveillance was lax to begin with, it will still be possible for travellers to enter and exit an island without proper documentation," he noted.

Infectious diseases expert Paul Tambyah, who is president of the Asia Pacific Society of Clinical Microbiology and Infection, added that the majority of serious transnational outbreaks in recent years have been spread by air travel rather than over land.

Given this, it is unlikely that setting up a travel bubble with an island nation instead of a larger country would make a significant difference in terms of risks, he said.

"Right now, the key has to be effective vaccination," Professor Tambyah added. "That has been shown, time and again over the years, to be effective in containing and controlling infectious diseases from smallpox to polio to yellow fever and many more."

Vaccination will also be key to helping Singapore regain its attractiveness as a tourist destination, said Assistant Professor Michael Alexander Kruesi, who teaches in the Singapore Institute of Technology's hospitality business programme.

Unlike visitors to Taiwan and Palau, who will be able to engage in nature-based activities while avoiding crowds in major urban centres, Singapore's main draws are its highly populated urban locations, he noted.

Without a high percentage of the local population vaccinated, strict safe distancing measures cannot be loosened and tourists may be put off from visiting, Prof Kruesi said. He added that opening the country's doors to visitors would likely involve some sort of disruption – for instance, zoning off certain portions of attractions or imposing staggered timings.

"I do not think there are many, if any, of the big draw attractions – such as those in Marina Bay or on Sentosa – that tourists could possibly visit without major disruption to the operation of the attraction."

As for the challenge of keeping tourists in line, Prof Teo pointed out how some restaurants in Singapore already faced difficulties trying to enforce the rules that prevent intermingling among local guests from different tables.

"Extrapolate this to a situation where it involves resort and hotel accommodations, restaurants and gift shops, but now include the additional variable that the patrons are citizens of another country who are here to support your local tourism," Prof Teo said. "You will realise, quickly, the ability and will to police these visitors will be much reduced."

And will Singaporeans be keen on such tours, even if they have to abide by strict rules? Dynasty Travel's director of public relations and communications Alicia Seah thinks the answer is yes.

"I believe that customers will go on such trips with restricted itineraries, as long as the travel agent is able to customise them according to their needs," she said.

linettel@sph.com.sg

Security personnel directing a truck at 13 Benoi Sector on Saturday. Two designated facilities – in Boon Lay and Woodlands – have been set up near the land checkpoints for the vaccination of selected Malaysian cargo drivers and their accompanying workers. ST PHOTO: LIM YAOHUI

Positive response from Malaysian drivers offered jab

There has been a very positive response rate from Malaysian cargo drivers selected for Covid-19 vaccination in Singapore so far, the Ministry of Trade and Industry (MTI) said yesterday.

The drivers and those accompanying them, who have taken the vaccination here since Saturday, have received the Pfizer-BioNTech vaccine, the ministry said in response to queries from The Straits Times.

MTI did not give figures for the response rate among those who have been contacted so far.

Two designated facilities – in Boon Lay and Woodlands – have been set up near the land checkpoints for the vaccination of selected cargo drivers and accompanying workers.

MTI said it will continue to reach out to those who have been selected and schedule them for vaccination.

Those who are not vaccinated in Singapore will still be allowed entry, subject to the prevailing border health measures such as on-arrival tests.

All cargo drivers and accompanying personnel must also still adhere to existing safe management measures while working, regardless of their vaccination status, the ministry said.

These include limiting movement to delivery points only, ensuring that SafeEntry and temperature checks are done before entering the delivery site, and observing safe distancing at all times, including during the unloading and delivery of cargo.

Earlier this month, the authorities said cargo drivers who regularly come into Singapore from Malaysia will be offered Covid-19 vaccination to minimise the risk of transmission from workers who transport essential goods here.

Those who have taken both doses of the vaccine in Singapore will receive an immunisation certificate and will be exempted from daily on-arrival tests 14 days after their second dose.

However, they may continue to be subjected to testing at Singapore's land checkpoints from time to time.

Since Jan 22, a compulsory Covid-19 antigen rapid test has been progressively rolled out for cargo drivers entering Singapore at land checkpoints.

Lim Min Zhang

Employers adopting wait-and-see approach on hiring, say observers

Calvin Yang
Correspondent

Singapore's labour market may be recovering, but many employers are still adopting a wait-and-see approach before going all out in the hiring game.

Companies navigating the highly uncertain economic outlook are understandably cautious, said observers, as the pandemic will be a long and costly battle. Business volumes for some sectors will be unable to recover for a while, they added.

This comes even as resident employment – comprising Singaporeans and permanent residents – rebounded to slightly above pre-Covid-19 levels by the end of last year, according to statistics released by the Manpower Ministry last week. The number of employed residents went up by 14,900 from the year before.

But observers say the hiring sentiment remains weak and uneven, adding that some of the jobs taken up last year were temporary and cushioned by government subsidies like the Jobs Support Scheme.

DBS senior economist Irvin Seah said the improvement "could end up being a false dawn". Noting that "a big part of that improvement was supported by government policy measures", he said the challenge is converting temporary roles into permanent ones.

Realistically, the job market might see a more pronounced improvement only at the end of the year, when travel restrictions are expected to ease and vaccination programmes are on track.

The latest survey by recruitment agency ManpowerGroup found that while employer confidence is growing, nearly half of the employers believe a realistic return to pre-pandemic levels will come only by the year end.

PeopleWorldwide Consulting managing director David Leong said hiring is uneven across industries. Sectors such as aviation and hospitality are still reeling from the impact of the Covid-19 outbreak, while others like healthcare and technology are growing and adding new jobs.

Infocomm technology firm NCS, for instance, is looking to hire 1,000 new employees in Singapore – mostly for tech roles in areas such as data analytics and application development – at a career fair this month. The home-grown firm has about 9,600 employees, of which around 8,000 are based here.

Mr Gerard Koh, vice-president of human resources at NCS, said the hiring spree would go towards bolstering the company's talent pool as it transforms and expands into high-potential markets.

Even though hiring on such a large scale is likely an exception, the recent labour market recovery is encouraging. Firms in financial services, e-commerce and logistics are also hiring for a variety of roles.

Said Ms Linda Teo, country manager at ManpowerGroup Singapore: "Companies now have the budget to start hiring to backfill roles that were previously managed by other staff during the downturn. Companies are also resuming projects that were previously put on hold."

For instance, mining and construction firms are ramping up their hiring to make up for time lost in the past few months.

Job site Indeed has found that job postings exceeded pre-pandemic levels in mid-October, and have since surged in January and last month.

The recovery is being led by the medical and science, technology, engineering and mathematics (Stem) fields. Manufacturing, construction and warehousing are also reporting strong demand for staff.

But job postings in hospitality and tourism are still down, said Indeed. Other sectors such as childcare, sports, legal and marketing continue to struggle.

Said Dr Leong: "Improved hiring in certain sectors is not enough to compensate for the loss of jobs. This is not the time to think we have walked out of the woods."

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SEE SINGAPORE • B1

THIS WEEK'S TOPIC

How should companies approach business opportunities in markets with high risks of repression and political threats?

Mapping out plans in risky territory

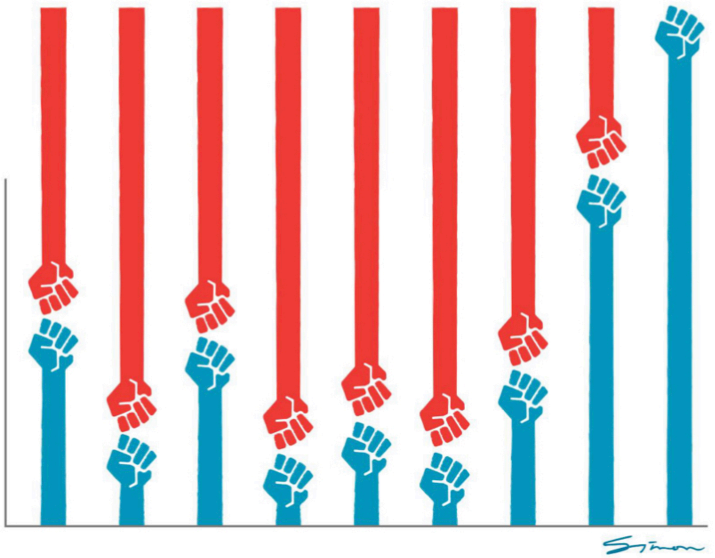

ILLUSTRATION: SIMON ANG

David Kuo
Co-Founder
The Smart Investor

Being in business is not about making money at any cost. Instead, it is about making money the right way. When we invest in any country, we are effectively bankrolling that state through foreign direct investments and through the payment of direct and indirect taxes. If we have concerns that the investment could be used to repress the people of that country or thwart legitimate political opposition, then we should seriously reconsider. We may have a conscience that is malleable. But investors and stakeholders could take a dim view about companies that are prepared to put profit ahead of people.

Lawrence Loh
Director, Centre for Governance and Sustainability
NUS Business School

Going to high-risk markets may bring expected high returns but there may be negative outcomes too. Businesses in such markets must always be equipped to continually make three decisions: first, status quo; second, expand; third, exit. The initial pot of honey may not be there forever. Amid the euphoria of grand entry, the most critical possibility of market withdrawal is often neglected. The challenge for businesses to sustain is to manage capacities and develop capabilities. These have to be mapped against the changing market risk profiles. Indeed business development is often biased towards growth. As the maxim goes: "When in good times, be prepared for bad".

Victor Mills
Chief Executive
Singapore International Chamber of Commerce

The short answer is always with care and always in accordance with the wishes of their shareholders. Before they invest, companies assess the financial, operational, political, legal and reputational risks of investing and operating in any market. Their reason for investing is because they see the potential for a satisfactory financial return. In markets with a history of coups and military rule the risks are much higher, so the long-term potential gains must be higher too to justify investing. Investors who take a long-term view will be able to ride out unexpected developments like the tragic and retrograde events in Myanmar.

John Bittleston
Founder and Chair
Terrific Mentors International Pte Ltd

"Free trade" is how cross-border transactions flourish. Repression of any freedom is a drag on good transactions between countries, states and individuals. The importance of cross-border trade depends on the size of a nation's home market. If huge, overseas sales matter less; if tiny, they matter more.

Business today is also involved in world politics, as it always has been with domestic affairs. Increasingly big businesses are accepting that they have a responsibility to the repressed. This increases further with threats of climate damage and pandemics.

Business' role in the world is about to become even bigger in spite of frustrated initial public offerings (IPOs) and junta population suppression.

Veronica Shim
Founder and CEO
Envysion Wealth Management

While the current situation in Myanmar is unfortunate, it will eventually be resolved. Companies venturing into such markets should ascertain the landscape politically, economically, and financially. Based on a detailed appreciation from the ground, companies should have detailed contingency plans in place. For example, investing in such countries will require benefits that the local community can experience. That way, the damage to the company's image and properties will be reduced. Also, trade settlement will need to be in the company's home currency so that in the event of a sanction, the funds can nevertheless flow back to the company. The lack of any meaningful plan will spell anxiety, distress, and even loss of business opportunities.

Toby Koh
Group MD
Ademco Security Group

Investing in high-risk markets requires a long-term strategy and outlook. Higher risks would mean higher returns too. If not, why enter.

I believe that all repressive regimes will eventually open up their markets for economic growth. Hence, patience, belief and availability of capital for the long haul is essential. First mover's advantage has been shown to be critical in many business success stories. Bringing best practices into these markets and providing employment to locals will help the community in more ways than one.

David Emery
Founder and Chairman
Reciprocus International Pte Ltd

The question should not be "if" but just "how" Singaporean and any other foreign investors should respond to the ruthless Myanmar military junta's simply unacceptable executions of peaceful civilian demonstrators, like a pregnant woman a few days ago, who was allegedly shot by a sniper, just because she was giving shelter to young kids running from the bullets. When will politicians, business leaders (and in fact the world) finally stop hiding behind the "not wanting to interfere in internal affairs" excuse? Of course such reactions need to consider the impact on the people of Burma and thus ought to focus on where it "hurts" the generals the most – for example, start with not allowing them and their families to travel to Singapore for state-of-the-art medical treatments or education, and suspend business dealings and joint-venture activities with entities in which the same audience has vested interests. Am I being naive? Maybe. Will anything make a difference which does not financially hurt the Singaporean businesses? No.

Lee Quane
Regional Director, Asia
ECA International

Singaporean investors have provided employment and development opportunities to many in Myanmar, and have also contributed to the country's strong economic growth since its opening up.

Singapore companies in Myanmar should stay the course if it is safe to do so. However, investors should undertake due diligence of their partners and clients – such as refusing to work with those who do not share the same values, or have acted out illegally. Global norms, such as respect for human rights and the rule of law, should be upheld, and companies should use their influence to be a change for good where they can.

If not, the reputational and financial damage in Singapore and elsewhere that may arise through associations with unsavoury partners and clients will likely exceed the short-term profits made as a result of having ignored these fundamental principles.

Lex Lee
Chief Strategy Officer
TOP International Holding

Vincent van Gogh once said, "There is peace even in the storm." Indeed, it is becoming harder to predict what could go wrong given the uncertainties businesses face at macro and micro levels. Apart from having conventional preventive measures like ensuring company exposure is kept at a manageable level, businesses must be able to risk-sense and respond dynamically as the complexities of on-ground situations unfold. Companies that have a more extensive local network and resources can gain the upper hand in managing the situation. Before entering overseas markets, it is only prudent for companies to assess their appetite for risk versus rewards, vis-à-vis acceptance for certain types of events against their own values and principles.

Dileep Nair
Independent Director
Thakral Corporation Limited

Lucrative business opportunities are often found in emerging markets. But these are usually the places with high political risk. Due diligence would have required rigorous risk assessment to be done to identify, measure and manage the political risk. It even may have been necessary to take up political risk insurance. The difficulty is when sudden political changes occur, as in Myanmar. The initial wait-and-see posture cannot be held for long as the situation is likely to only get worse before getting any better. A red line should be drawn when egregious human rights violations occur, with civilians being killed by the security forces. Aside from the safety of staff, there is the risk of reputational damage if one's business has dealings with entities connected with the military, given that some Western countries have imposed sanctions. It would be wise for Singapore companies to suspend operations and repatriate any Singapore staff. This would be the prudent and principled thing to do.

Tan Mui Huat
President and CEO, Asia
International SOS

The military takeover in Myanmar on Feb 1 and subsequent widespread unrest have emphasised the need for timely intelligence and an effective risk mitigation strategy for businesses with operations in markets with high risks. To ensure business and workforce resilience in the face of eco-political volatility, organisations require access to timely and accurate information and advice that will guide not only tactical actions on the ground, but also strategic decision making around how a business should respond to a crisis. An effective risk mitigation strategy also requires that management has the capacity to maintain visibility of staff in relation to an incident and communicate with their employees. Lastly, organisations need to identify local assistance capabilities that will be called upon if help is required for their employees on the ground.

Chia Ngiang Hong
President
Real Estate Developers' Association of Singapore (REDAS)

Companies looking for growth must be open to exploring all opportunities. Due diligence complementing the usual economic risk assessment with a rigorous political risk analysis and weighing these against the potential economic benefits is imperative. Such multi-dimensional analysis conducted on the ground must examine all factors that may politically stabilise or destabilise the country, such as historical context, nuances of society, leadership personalities, et cetera. The probability, timing and likely impact of potential shocks must also be anticipated. Companies must determine their own risk appetite and investment horizon before committing. They should work with reliable local partners, practise politically savvy banking routes and buy political risk insurance. Companies must also be aware of the risks of being perceived as supporting an oppressive regime and to strike a judicious balance. Real estate business is capital-intensive with a longer planning horizon and is generally less mobile, and hence advance planning is paramount.

Kartik Krishnamurthy
Managing Director
Cornerstone OnDemand Asia

As the business strategy guru Peter Drucker famously put it, what gets measured, gets managed; companies that are operating in such markets need to quantify what that risk means to their business. Companies already measure an internal rate of return when investing or expanding to a new market, so they should also look at: one, adding a risk premium to their overall rate of return and two, implementing scenario planning or a business game simulation exercise. In addition, companies should also consider a political risk insurance premium as they explore these business opportunities. Overall, political risk levels globally have increased since 2018. So while some factors may remain the same, the stakes are much higher now. So it is even more imperative for companies to take scenario planning seriously before investing.

Maren Schweizer
Chief Executive Officer
Schweizer World

Besides various business-linked KPIs (key performance indicators) and risk management factors, economic openness, IP laws, flexible workforce, and predominantly FTAs (free trade agreements) as well as support by developed countries such as Singapore, are decisive for an investment decision.

Schweizer's electronics manufacturing businesses have to wait and see in respect to any investment in emerging countries. As an automotive player, supply security is a must, while backup capacities are a no-go due to standards, qualification and tight gross margins.

Nevertheless, our digital ecosystem businesses – low capex and ROI (return on investment), lower fixed cost, and are easy to move – are valuable to test the ground in high-risk countries. Lastly, advanced manufacturing opens opportunities to reshore businesses. The Myanmar issues serve as an accelerant.

Sandra Lee
Chief Executive Officer
BMS Group Asia

Such companies should mitigate their exposure with careful pre-entry analysis. They should be cognisant of impact caused by any humanitarian breach and the potential damage to their reputation should they be seen in bad light, given the prevalence of cancel culture. Pre-investment diligence should be conducted across all spectrums (legal, finance, tax, commercial, ESG, political, to name a few) to ensure that there is a fulsome view of the costs and benefits.

Once the decision to invest is taken, companies should put in place appropriate risk management tools – these include tactical remedies such as emergency exit strategies for employees; access to specialist resources; provision of legal advice; and risk mitigation policies to insure against damage to or expropriation of assets, which may also extend to reputational capital.

Lim Soon Hock
Managing Director
PLAN-B ICAG

It can be a tough decision for companies, whether to continue doing business or not, especially if the high-risk country accounts for a large chunk of the business. It is one reason why companies must have a robust system of enterprise risks management, and for the board of directors to set aside time periodically to evaluate risks, including political risks, that is, to recognise and understand what can go wrong when deciding to invest in a country. This will allow a company to prioritise investments, given its limited resources.

While a company should not be engaged or seen to be interfering in the politics of a country, it has the moral responsibility to place the lives and well-being of local citizens above commercial objectives.

David Leong
Managing Director
PeopleWorldwide Consulting Pte Ltd

Myanmar's coup is unfortunate given the country's great leap in the last decade – though with occasional hiccups and their longstanding Rohingya crisis. Despite those international skirmishes and their border issues, Myanmar has improved greatly over the decade with a promise to become an integral industrialised base in Asia. It's particularly appealing to Chinese manufacturers who need to move out of China for cost reasons.

Many businesses are holding back pursuits of further venturing into Myanmar because the interim government may recoil against domestic pressure and amid civil disobedience and international condemnations. Sanctions have been used against Myanmar but did not work against the junta. Their people suffered in a sanction-imposed regime and they fell behind, with lost decades of better lives.

Other softer options must be considered to at least allow the flow of goods and services into its economy.

Zaheer Merchant
Regional Director (Singapore & Europe)
QI Group of Companies

Any developing market presents risks and rewards. Repression and political threats are actually lesser risks than sanction effects, internal corruption, tight monetary policies and other regulatory/compliance impacts. As such, any company must understand the lay-of-the-land, obtain proper legal representation, undertake comprehensive compliance scanners for their business and infrastructure undertakings, and incorporate or undertake business in the most prudent or legally protected manner possible at the prevailing moment (since even best-laid plans have no certainty in unstable countries).

Size and investment value matter in that larger businesses have greater leverage in particular circumstances. Occasionally, companies seek to be politically aligned in the hope of being safe. I would eschew this. Today's right side may be tomorrow's wrong, and hedging can be a difficult or expensive process.

The full list of views is available at http://businesstimes.com.sg

Coronavirus Singapore

Jury is out on going for Taiwan-Palau travel bubble model

Experts say that for Singapore, vaccination will be key in helping it regain its attractiveness as a tourist destination

Linette Lai

Could the Taiwan-Palau travel bubble provide a model for Singapore to emulate, paving the way for leisure travel to take place between one sunny island and another?

The answer is not quite so straightforward. According to the experts, travel bubbles with other islands are not likely to be inherently safer than similar arrangements with any other country. Instead, much depends on whether governments are in control of the Covid-19 situation within their borders.

Last Wednesday, Taiwan said it will open its first travel bubble with the Pacific island nation of Palau next month, with tour groups to follow a government-approved schedule and visit only certain tourist sites. They will also have to observe social distancing rules, and cannot venture off on their own.

While it may be easier for local authorities to regulate entry and exit to an island, as opposed to policing long stretches of land borders, success still boils down to a country's ability to keep a close eye on its territory, said Professor Teo Yik Ying, dean of the National University of Singapore's Saw Swee Hock School of Public Health.

"If surveillance was lax to begin with, it will still be possible for travellers to enter and exit an island without proper documentation," he noted.

Infectious diseases expert Paul Tambyah, who is president of the Asia Pacific Society of Clinical Microbiology and Infection, added that the majority of serious transnational outbreaks in recent years have been spread by air travel rather than over land.

Given this, it is unlikely that setting up a travel bubble with an island nation instead of a larger country would make a significant difference in terms of risks, he said.

"Right now, the key has to be effective vaccination," Professor Tambyah added. "That has been shown, time and again over the years, to be effective in containing and controlling infectious diseases from smallpox to polio to yellow fever and many more."

Vaccination will also be key to helping Singapore regain its attractiveness as a tourist destination, said Assistant Professor Michael Alexander Kruesi, who teaches in the Singapore Institute of Technology's hospitality business programme.

Unlike visitors to Taiwan and Palau, who will be able to engage in nature-based activities while avoiding crowds in major urban centres, Singapore's main draws are its highly populated urban locations, he noted.

Without a high percentage of the local population vaccinated, strict safe distancing measures cannot be loosened and tourists may be put off from visiting, Prof Kruesi said. He added that opening the country's doors to visitors would likely involve some sort of disruption – for instance, zoning off certain portions of attractions or imposing staggered timings.

"I do not think there are many, if any, of the big draw attractions – such as those in Marina Bay or on Sentosa – that tourists could possibly visit without major disruption to the operation of the attraction."

As for the challenge of keeping tourists in line, Prof Teo pointed out how some restaurants in Singapore already faced difficulties trying to enforce the rules that prevent intermingling among local guests from different tables.

"Extrapolate this to a situation where it involves resort and hotel accommodations, restaurants and gift shops, but now include the additional variable that the patrons are citizens of another country who are here to support your local tourism," Prof Teo said. "You will realise, quickly, the ability and will to police these visitors will be much reduced."

And will Singaporeans be keen on such tours, even if they have to abide by strict rules? Dynasty Travel's director of public relations and communications Alicia Seah thinks the answer is yes.

"I believe that customers will go on such trips with restricted itineraries, as long as the travel agent is able to customise them according to their needs," she said.

linettel@sph.com.sg

Security personnel directing a truck at 13 Benoi Sector on Saturday. Two designated facilities – in Boon Lay and Woodlands – have been set up near the land checkpoints for the vaccination of selected Malaysian cargo drivers and their accompanying workers. ST PHOTO: LIM YAOHUI

Positive response from Malaysian drivers offered jab

There has been a very positive response rate from Malaysian cargo drivers selected for Covid-19 vaccination in Singapore so far, the Ministry of Trade and Industry (MTI) said yesterday.

The drivers and those accompanying them, who have taken the vaccination here since Saturday, have received the Pfizer-BioNTech vaccine, the ministry said in response to queries from The Straits Times.

MTI did not give figures for the response rate among those who have been contacted so far.

Two designated facilities – in Boon Lay and Woodlands – have been set up near the land checkpoints for the vaccination of selected cargo drivers and accompanying workers.

MTI said it will continue to reach out to those who have been selected and schedule them for vaccination.

Those who are not vaccinated in Singapore will still be allowed entry, subject to the prevailing border health measures such as on-arrival tests.

All cargo drivers and accompanying personnel must also still adhere to existing safe management measures while working, regardless of their vaccination status, the ministry said.

These include limiting movement to delivery points only, ensuring that SafeEntry and temperature checks are done before entering the delivery site, and observing safe distancing at all times, including during the unloading and delivery of cargo.

Earlier this month, the authorities said cargo drivers who regularly come into Singapore from Malaysia will be offered Covid-19 vaccination to minimise the risk of transmission from workers who transport essential goods here.

Those who have taken both doses of the vaccine in Singapore will receive an immunisation certificate and will be exempted from daily on-arrival tests 14 days after their second dose.

However, they may continue to be subjected to testing at Singapore's land checkpoints from time to time.

Since Jan 22, a compulsory Covid-19 antigen rapid test has been progressively rolled out for cargo drivers entering Singapore at land checkpoints.

Lim Min Zhang

Employers adopting wait-and-see approach on hiring, say observers

Calvin Yang
Correspondent

Singapore's labour market may be recovering, but many employers are still adopting a wait-and-see approach before going all out in the hiring game.

Companies navigating the highly uncertain economic outlook are understandably cautious, said observers, as the pandemic will be a long and costly battle. Business volumes for some sectors will be unable to recover for a while, they added.

This comes even as resident employment – comprising Singaporeans and permanent residents – rebounded to slightly above pre-Covid-19 levels by the end of last year, according to statistics released by the Manpower Ministry last week. The number of employed residents went up by 14,900 from the year before.

But observers say the hiring sentiment remains weak and uneven, adding that some of the jobs taken up last year were temporary and cushioned by government subsidies like the Jobs Support Scheme.

DBS senior economist Irvin Seah said the improvement "could end up being a false dawn". Noting that "a big part of that improvement was supported by government policy measures", he said the challenge is converting temporary roles into permanent ones.

Realistically, the job market might see a more pronounced improvement only at the end of the year, when travel restrictions are expected to ease and vaccination programmes are on track.

The latest survey by recruitment agency ManpowerGroup found that while employer confidence is growing, nearly half of the employers believe a realistic return to pre-pandemic levels will come only by the year end.

PeopleWorldwide Consulting managing director David Leong said hiring is uneven across industries. Sectors such as aviation and hospitality are still reeling from the impact of the Covid-19 outbreak, while others like healthcare and technology are growing and adding new jobs.

Infocomm technology firm NCS, for instance, is looking to hire 1,000 new employees in Singapore – mostly for tech roles in areas such as data analytics and application development – at a career fair this month. The home-grown firm has about 9,600 employees, of which around 8,000 are based here.

Mr Gerard Koh, vice-president of human resources at NCS, said the hiring spree would go towards bolstering the company's talent pool as it transforms and expands into high-potential markets.

Even though hiring on such a large scale is likely an exception, the recent labour market recovery is encouraging. Firms in financial services, e-commerce and logistics are also hiring for a variety of roles.

Said Ms Linda Teo, country manager at ManpowerGroup Singapore: "Companies now have the budget to start hiring to backfill roles that were previously managed by other staff during the downturn. Companies are also resuming projects that were previously put on hold."

For instance, mining and construction firms are ramping up their hiring to make up for time lost in the past few months.

Job site Indeed has found that job postings exceeded pre-pandemic levels in mid-October, and have since surged in January and last month.

The recovery is being led by the medical and science, technology, engineering and mathematics (Stem) fields. Manufacturing, construction and warehousing are also reporting strong demand for staff.

But job postings in hospitality and tourism are still down, said Indeed. Other sectors such as childcare, sports, legal and marketing continue to struggle.

Said Dr Leong: "Improved hiring in certain sectors is not enough to compensate for the loss of jobs. This is not the time to think we have walked out of the woods."

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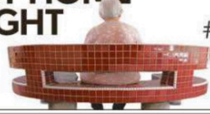

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MARKETS	Monday	Change
STI	3,106.00	+10.78
KL COMP	1,620.92	+5.23
NIKKEI 225	29,766.97	+49.14
HANG SENG	28,833.76	+94.04
SHENZHEN B	1,110.66	-1.73
DOW (10am EST)	32,775.94	-2.70

DAILY DIGEST

WeWork is set to launch its largest location yet in Singapore – at the 21-storey former HSBC building at Collyer Quay – in the next nine to 12 months, Samit Chopra, the company's managing director for international strategy and operations, told BT.

TOP STORIES / 3

Companies listed in the US performed dismally when it came to reporting on their environmental, social and corporate governance (ESG) performance, compared to those in other major markets, said a new study – with Honeywell and Microsoft coming in dead last in the overall rankings.

COMPANIES & MARKETS / 5

Singapore's push to speed up insurance claims took another step forward, with a pilot platform now calling for proposals. The General Insurance Association Singapore (GIA Singapore), 1Life Insurance Association Singapore (LIA Singapore) and Integrated Health Information Systems (IHiS) jointly called for proposals starting on March 15 to develop an end-to-end health insurance claims platform.

BANKING & FINANCE / 10

Singapore is one of the top ideal markets for data centres across the globe, recent reports showed. The Arcadis Data Centre Location Index 2021 ranked Singapore the second most attractive city to build data centres, out of a total of 50 cities. Meanwhile, Cushman & Wakefield's 2021 Global Data Centre Market Comparison report ranked Singapore's data centre market fifth out of 48 markets in total – advancing one rank from a year ago.

REAL ESTATE / 12

Amazon has signed an agreement with Singapore solar energy provider Sunseap Group, marking its first renewable energy project in the Republic, and its fifth in the Asia-Pacific region.

INDUSTRY / 15

SINGAPORE PROPERTY

In a Covid year, new condos' price-income ratio widens

Ratio captures rising prices against first decline in household income in over a decade; mortgage rates are inching up globally

By Fiona Lam
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@FionaLamBT

Singapore

LIKE several countries across the world, Singapore has seen private housing prices move higher in spite of a global pandemic.

Given this, fresh data shows that the gap between incomes and prices of private non-landed homes continued to widen in 2020.

Specifically, the gap – known as an "affordability ratio" – between prices of new condominiums sold and household income continues to be at its widest in a decade, *The Business Times*' analysis of data from Knight Frank, Colliers International, OrangeTee & Tie, Urban Redevelopment Authority and Department of Statistics (DOS) showed.

The analysis uses median property prices covering all land tenures and locations in Singapore, excluding executive condominiums (ECs).To get these prices, the median per square foot (psf) price is multiplied by 1,000 sq ft, which is the methodology used by Knight Frank. Median annual household income is derived by multiplying by 12 the median monthly household income from work including employer CPF contributions.

This price-to-income ratio is one affordability indicator brought to the fore amid market speculation of new cooling measures this year.

To be clear, the price-to-income ratio for new sales has been rising consecutively since 2016.

But in a year of Covid-19, the 2020 ratio stands out as it captures the first decline in household income in over a decade. DOS figures showed Singapore's 2020 median monthly household income from work falling 2.5 per cent year-on-year to S$9,189. Despite this, private non-landed home prices are now above their all-time peak in the third quarter of 2013, data from Colliers showed.

The availability of cheap debt, demand from HDB upgraders and Covid-19's uneven impact are some factors spurring on the private housing market. This is even as consumers are meeting existing regulations to deter over-leverage.

DBS Group Research analyst Derek Tan said the rising affordability ratio is "certainly something to look out for". A high ratio suggests households have to stretch their finances to buy a property. "This sparks the question of retirement adequacy, especially if one finances the majority of a property purchase with CPF savings."

The price-to-income ratio for new sales of non-landed private residential properties grew to 15.4 in 2020 from 14.7 in 2019, assuming a 1,000 sq ft unit. That means a household, without spending on anything else, has to save minimally for 15.4 years to buy a new condo unit. In 2010 – the last decade-high – the ratio was 15.9. (To be clear, in 2019, the 14.7 ratio already hit levels set at 2010.)

The same data shows the price-to-income ratio staying largely stable for resales, creeping up to 11.2, from 11.1 in 2019. It comes as median prices last year rose for new condos but fell for resale condos.

BT ran more checks by calculating prices based on absolute median quantums – rather than psf prices with an assumed 1,000 sq ft size – against median household incomes. This showed just two straight years of an increasing "affordability ratio" for new sales, though 2020's ratio of 12.1 grew more significantly over 2019 than the year prior. This ratio is now at its highest since 2010's 14.8.

Colliers research head Tricia Song noted that while median psf prices of all private home sales rose 50 per cent in 2010-2020, median absolute prices went up by just 24 per cent. Median incomes grew 45 per cent in this time. The slightly different scenes painted from the two data sets may reflect a skew from demand for smaller units, which fetch higher psf price but lower absolute quantums.

Private properties, excluding ECs, make up 25-26 per cent of all residential stock in Singapore. In general, private homes have been accessible mainly to the top 30 per cent of earners, analysts have said.

If calculated using the average top 30 per cent household incomes from work each year, the price-to-income ratio for new sales based on median psf prices has trended higher for the well-heeled since 2018. In 2020, the gap between new condo prices and the highest 30 per cent of household incomes was at its widest in over a decade, with a ratio of 6.3.

It has remained stable for resales. For the top 30 per cent of earners, resale condos' "affordability ratio" in 2020 has been flat at 4.6 since 2018.

This picture likewise indicates the widening price gap between new and resale condos, which "will probably balance itself in time to come", with either resale prices going up or new sales prices falling, Ms Song said.

The household income data used in BT's analysis captures only Singaporeans and permanent residents (PRs), while the property price data includes foreigners.

Sing Tien Foo, director at the Institute of Real Estate and Urban Studies at NUS, noted that foreign buyers may pay a slight premium relative to locals. Ong Choon Fah, Edmund Tie & Co's chief executive, observed too that new citizens and PRs, as well as high-net-worth individuals, are buying homes priced at the higher end of the market.

Knight Frank Singapore's research head Leonard Tay said the affordability trend, reflecting Covid-19's impact, might not be of concern if it is short-lived and confined to 2020 and the first half of this year.

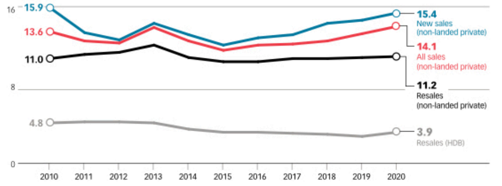
Continued on Page 3

New private home sales plunge 60.5% in February, Page 3

Are new measures necessary?

Affordability over the years

Based on median household incomes, the affordability of Singapore homes has varied in the past decade



How were the numbers derived?

■ **Price-to-household-income ratio:** Divide full-year median prices for each property segment by the median annual household income. It implies the number of years a household has to save to buy a 1,000 sq ft private home or a HDB resale flat without any other consumption.

■ **Median annual household income:** Multiply by 12 the median monthly household income from work including employer CPF contributions, in nominal terms (before accounting for inflation).

■ **Median prices for non-landed private properties:** Assuming a 1,000 sq ft standardised condo unit, multiply the median S$ psf prices by 1,000 sq ft to get the median full purchase quantums. Includes all tenures and all locations in Singapore, and excludes executive condominiums.

■ **Median prices for HDB resale flats:** Covers all flat sizes, locations and remaining leases.

Housing affordability ratios based on full-year median prices may not show a clear correlation with every round of policy changes, partly because any cooling effect would be seen only in subsequent quarters and might only slightly depress overall prices for the whole year. Market activity also typically takes a pause right after new measures are announced, as buyers and sellers adapt to the new parameters, said Knight Frank Singapore's head of research Leonard Tay.

Existing rules

GUIDELINE	DETAILS	WHEN DID THE LATEST CHANGES TAKE EFFECT?
Total debt servicing ratio (TDSR)	TDSR caps the amount that an individual can borrow for a property loan, taking into account their monthly debt obligations.	June 2013
Loan tenure	The maximum loan tenure for housing loans from banks is capped at 30 years for HDB flats and 35 years for non-HDB properties. For loans from HDB, the tenure is capped at 25 years.	Aug 2013
Mortgage servicing ratio (MSR)	MSR caps the portion of a borrower's gross monthly income that can be used to repay all property loans.	Aug 2013
Seller's stamp duty (SSD)	SSD is payable on all residential properties bought on or after Feb 20, 2010 and sold within a certain holding period.	March 2017
Buyer's stamp duty (BSD)	BSD is levied on all purchases of property in Singapore. The BSD rate for residential properties is up to 4%.	Feb 2018
Additional buyer's stamp duty (ABSD)	Liable buyers, including Singapore citizens, PRs, foreigners and developers, are required to pay ABSD on top of BSD.	July 2018
Loan-to-value (LTV) ratio	The LTV limit determines the maximum amount a buyer may borrow, as a percentage of the purchase price or assessed market value.	July 2018
Maximum allowable number of dwelling units	The maximum number of dwelling units in a new non-landed private residential development outside the Central Area is calculated by dividing the allowable gross floor area by 85 sq m, in most locations.	Jan 2019
Option to purchase (OTP)	Developers are restricted from reissuing OTPs to the same buyers for the same unit within 12 months of expiry, and from providing upfront agreements to reissue OTPs.	Sept 2020

Sources: Knight Frank, Colliers International, OrangeTee & Tie, SRX, URA Realis, Department of Statistics, IRAS

Business operations in Myanmar grind to a halt as unrest escalates

Fire from burning Chinese-owned factories lighting up the industrial neighbourhood in Hlaingthaya Township, on the outskirts of Yangon on Monday. PHOTO: EPA-EFE

By Mindy Tan
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Singapore

BUSINESS operations in Myanmar have practically come to a standstill, after unrest in the country escalated in recent days and the junta expanded martial law to more areas.

This follows the torching of several Chinese factories and a rising death toll which made Sunday one of the deadliest days since the military seized power.

Control Risks director John Bray, who specialises in sanctions, human rights, and Myanmar, said people are living week-by-week, if not day-by-day. "We can't talk about normal business (since) the banks and ports are scarcely working. One issue at the end of last month was how to pay people – and while most companies managed to do that somehow – there's a real question of what happens at the end of this month," noted Mr Bray.

He added that while the global risk consultancy previously had a healthy pipeline of conversations with clients looking to make investments in Myanmar, these conversations stopped "rather dramatically" on Feb 1.

David Leong, managing director at PeopleWorldWide Consulting, meanwhile said they haven't been able to conduct training at their partner company's office in Myanmar due to movement restriction orders.

"Even with sporadic access to our partner's office, there have been occasions when the Internet was shut down," said Dr Leong, whose firm does recruitment as well as training and development. "We are still hoping for the best. After we finished the interviews, we made sure that all the documents are in place so at the first sign of stabilisation, we can complete the selection process and bring the relevant talent to Singapore."

Continued on Page 3

China 'very concerned' for safety of its citizens in Myanmar, Page 13

Financial squeeze on Myanmar junta may be on the cards, Page 16

BUSINESS

58.6%

SOUTH-EAST ASIA'S INTERNET ACCESS RATE, HIGHER THAN THE GLOBAL RATE OF 50% B13

Business groups concerned over rule change for dependant's pass holders

They say need for formal pass to work narrows choices; other observers don't see big impact

Joanna Seow
Manpower Correspondent
and Charmaine Ng

Several business chambers are concerned about the message being sent by the new requirement for dependant's pass holders to obtain a formal work pass in order to work in Singapore.

They said many such foreigners have skills and experience that can contribute to the economy here, and the more restrictive rule may make it more difficult for companies to relocate staff or senior executives with families.

But other observers said the impact on companies will not be large, as dependants with valuable skills can qualify for work passes.

The change, which kicks in on May 1, was announced by Manpower Minister Josephine Teo during the debate on her ministry's budget last week.

Employers of dependant's pass holders will need to apply for an Employment Pass (EP), S Pass or work permit for them, and the relevant qualifying salary, dependency ratio ceiling and levy will apply.

Only dependant's pass holders who are business owners and employ at least one Singaporean or permanent resident will be able to work using a letter of consent.

There are an estimated 11,000 dependant's pass holders here working on letters of consent, or about 1 per cent of work pass holders, excluding foreign domestic workers. Even though the numbers affected are small, Dr David Leong, managing director of human resources firm PeopleWorldwide Consulting, said the move tilts the balance of probabilities towards Singaporean job seekers.

Business chamber leaders said some examples of jobs that dependant's pass holders take on include part-time teachers in private education, entrepreneurs, roles in foreign chambers and religious institutions, and language teachers in local organisations.

Ms Kate Baldock, executive director of the Australian Chamber of Commerce here, said that among the Australian community, there is a concentration of workers on letters of consent in certain specialised industries as well as operating sole person enterprises, and these sectors could be significantly impacted by the changes.

"We are hearing from certain sectors as well as our SME (small and medium-sized enterprise) and start-up community that this could cause significant challenges," she said.

11,000

Estimated number of dependant's pass holders here working on letters of consent. They represent about 1 per cent of work pass holders.

Dr Lei Hsien-Hsien, chief executive of the American Chamber of Commerce in Singapore, noted that many dependant's pass holders have advanced degrees, skills, experience and capabilities that can potentially fulfil niche workforce needs.

Many own small start-ups, likewise contributing to the growth of Singapore's economy, while some provide niche services such as marketing and communications for non-governmental organisations.

"However, due to circumstances, they often require a more flexible working arrangement including part-time or contract work, which the letter of consent accommodated," she said.

"It is much more attractive and reassuring for families to know that there is a relatively straightforward option to obtain a letter of consent to facilitate work for dependants."

The eligibility criteria for a letter of consent is simpler than for a work pass. Under the current rules, dependants of EP, EntrePass or Personalised EP holders are eligible for a letter of consent if their dependant's pass is valid for at least three months and they have a job offer with a Singapore employer. Workers on letters of consent are not subject to quotas, levies or qualifying salaries.

Singapore International Chamber of Commerce CEO Victor Mills said the new rule narrows choices and opportunities, particularly for partners and spouses of EP holders. "The more serious impact will be one of perception that Singapore is a less welcome place than in the past. And we all know that perception is reality for many people."

Mr Federico Donato, president of the European Chamber of Commerce in Singapore, agreed: "The message that such restrictions will send across would be quite negative as such measures will deprive many people, often young spouses following their partners abroad, from contributing to society."

Other observers do not expect a big impact on companies.

Singapore Business Federation CEO Lam Yi Young said the majority of foreign employees in companies here would already be on work passes.

Senior economist Irvin Seah, who is head of strategic projects at DBS Bank, said the change shows an attempt to ensure a more consistent policy towards formal employment in Singapore.

OCBC Bank chief economist Selena Ling, citing the recently launched Tech.Pass scheme as an example, said: "Singapore clearly remains open to foreign talent, especially at the mid- to higher-level professionals in key sectors."

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China's Feb exports post record surge from year earlier

BEIJING • China's February exports grew at a record pace from a year earlier when Covid-19 battered the world's second biggest economy, Customs data showed yesterday, while imports rose less sharply.

Exports in US dollar terms skyrocketed 154.9 per cent in February compared with a year earlier, while imports gained 17.3 per cent, the most since October 2018. The data did not include figures for January alone.

In the January to February period, exports jumped 60.6 per cent from a year earlier, when lockdowns to contain the pandemic paralysed the country's economic activity. That exceeded the forecast of analysts in a Reuters poll for a 38.9 per cent surge.

Strong exports, which benefited from China's success in largely containing the public health crisis, have helped fuel the country's recovery from a pandemic-induced paralysis.

The surge was driven by a rebound in foreign demand, Customs said in a statement on its website, citing improvements in manufacturing industries in the European Union and the United States, and their increased imports of Chinese products thanks to fiscal stimulus measures.

"In addition, a majority of manufacturing employees (in China) chose to stay put over the Lunar New Year holidays," the statement said.

"Our survey showed a lot of firms in export-oriented provinces stayed open, and orders that usually get delivered only after the new year had been delivered normally."

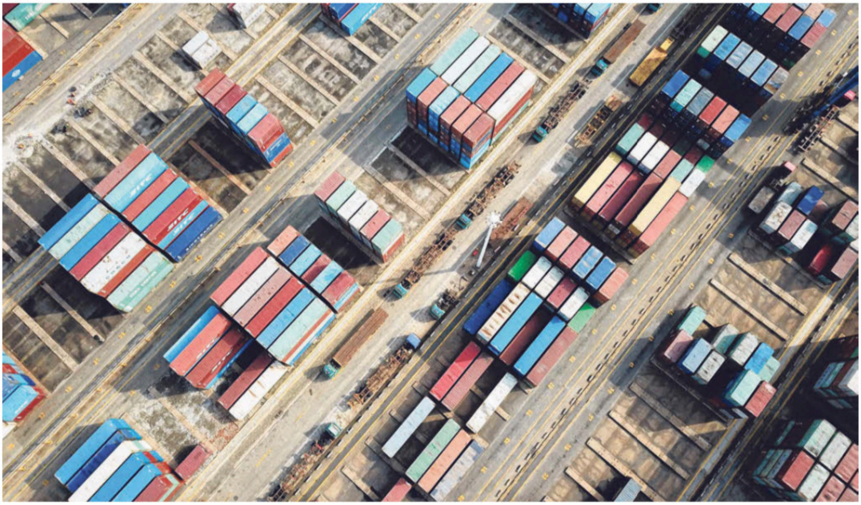
Chinese factory activity usually goes dormant during the Chinese New Year break, which fell in the middle of February this year, as workers return to their home towns.

This year, the government appealed to workers to avoid travelling to curb the risk of a spread of the coronavirus.

In the January to February period, imports increased 22.2 per cent from a year earlier, above the 15 per cent forecast, partly due to stockpiling of semiconductors and energy products, according to Customs.

China posted a trade surplus of US$103.25 billion (S$138.5 billion) for the first two months. Analysts had expected the trade surplus to narrow to US$60.15 billion from US$78.17 billion in December.

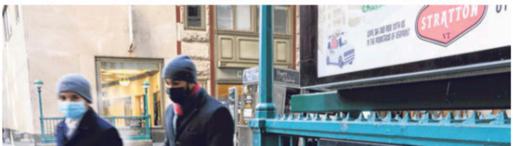
REUTERS



Shipping containers with goods for export stacked at a port in Lianyungang, in China's eastern Jiangsu province, yesterday. Exports in US dollar terms skyrocketed 154.9 per cent in February compared with a year earlier.
PHOTO: AGENCE FRANCE-PRESSE

Market Watch •

Rising fears of inflation in the US B14



Online

Anders Liss
Country Manager
Scania Singapore

WE clearly need a holistic solution to move Singapore towards cleaner transportation. From one angle, a car-lite future should still be a goal, achievable through further investments in the public transport system as well as promoting digitally enabled mobility-as-a-service and car-sharing schemes, and active mobility, such as walking and cycling. From another angle, the latest plans announced in Budget 2021 will also contribute to lowering emissions, by overcoming infrastructure and pricing barriers to encourage the adoption of electric vehicles. But, for a truly cleaner future, can we go further to examine the entire value chain of all vehicle types, including motorbikes and commercial vehicles, and strive to reduce emissions from the manufacturing, end-of-life and power generation aspects too?

David Kuo
Co-founder
The Smart Investor

HUMAN nature is such that many of us will only start to behave sensibly once we have exhausted all other alternatives. So, until destruction of our planet becomes irreversible, consumers will continue to behave as though nothing is amiss. Governments can be instrumental in changing the way people think. We are deluding ourselves if we think that car makers will stop trying to promote cars, which would be tantamount to turkeys voting for Christmas. The climate-change buck stops with the government. Only it has the resources to build an ultra-efficient transport system to proactively convince motorists to ditch their cars.

Chia Ngiang Hong
President
Real Estate Developers' Association of Singapore (REDAS)

A balanced approach is needed to optimally address the issue of mobility vs evolving environmental changes. Government has initiated multiple policies to realise the car-lite vision through regulating the car population, improving and expanding public transport systems, integrating micro-mobility modes of transport and encouraging use of public transport, walking and cycling. People would still aspire to own cars for various reasons and there will still be cars on the roads even with zero vehicle growth. Speeding up the adoption of electric and autonomous vehicles, and shared mobility can provide an attractive and convenient alternative that is cleaner and possibly cheaper and more sustainable than driving, and change the ways that people commute in cities. As real estate developers, we work closely with government agencies to reimagine our developments to support and realise this vision and hasten transformation.

Adam Reynolds
APAC CEO
Saxo Markets

SINGAPORE is a natural country for EV adoption given its size and shorter driving distances relative to other countries. As a city-state it can build the charging infrastructure more efficiently than countries with vast hinterlands. Singapore also has a history of controlling car usage and emissions through the COE regime, which lends itself to influencing consumer car choices. While public transport for commuting purposes is definitely more green, people still want the freedom that cars give when shopping or visiting friends or for recreational activities. The government should continue to improve the green efficiency of electricity generation to ensure that the emissions generated do not replace those from ICE vehicles, and that goes for providing electricity to cars, trains and busses of the future, all of which should become electric over time. As a small, highly technologically advanced country, Singapore could also be well placed to become a leader in the development of self-driving and EV technology as the world moves in that direction. Accelerating the move to EVs will only help that industry develop here.

Toby Koh
Group MD
Ademco Security Group

SINGAPORE must adopt a multi-prong strategy on our future transport landscape. Electric vehicles are a certainty. Going car-lite is a reality in order to free up precious space on our land-scarce island for better use. The goal is to eventually create an environment where residents will question the need for a private vehicle from a convenience and cost perspective. Why drive if autonomous taxis and buses arrive on demand? Look at what SWAT, a local startup by Goldbell, has created with their dynamic transport routing technology. I also believe car and bike-sharing will come back into vogue. More dedicated lanes for cycling which seems to be growing in popularity in an increasingly health-conscious population. That is the way forward.

Richard Kwok
President
The Institution of Engineers, Singapore (IES)

BECOMING car-lite and EVs are both integral to Singapore's move towards cleaner transport. EVs are often synonymous with shared cars and mobility-as-a-service, which reduce vehicle ownership and hence car-lite. EVs have a smaller carbon footprint than conventional ICE vehicles. Advancements in smart grids, electricity generation and distribution in Singapore have also made EV adoption timely and cost-effective. However, wide adoption of EVs will only be successful if the necessary infrastructure is put in place. This will require both public and private investments. Another integral component of successful EV deployment is high capacity batteries. Singapore needs to build up local capabilities to manufacture batteries as our requirements are different compared to those in cooler, lower-humidity countries. Proper battery recycling systems also need to be established for EVs to truly realise their promise in clean and sustainable energy.

Nilesh Jain
VP, Southeast Asia and India
Trend Micro Singapore

IT is heartening to see the government encouraging both options of going car-lite and adoption of EVs as they serve the needs of different individuals. EVs present a promising avenue for those who still find a need for private transport, to actively reduce their biofuel consumption and consequently their emissions of harmful pollutants. Efforts around the push for a robust e-mobility ecosystem include the Singapore government's commitment to provide 60,000 charging points by 2030 – this move can be supplemented by tandem efforts to leverage renewable energies like solar energy and hydropower to avoid straining existing power networks during the charging process.

Mario Singh
Chief Executive Officer
Fullerton Markets

THERE are two reasons why electric vehicles (EV) will be the future of Singapore. Firstly, overall car usage. According to official figures, the car population has steadily increased every year from some 604,000 in 2016 to over 636,000 in 2020.

Secondly, the EV trend. According to the International Energy Agency (IEA), the global EV market has soared in the past decade. In 2010, there were about 17,000 electric cars in the world. This number had swelled to 7.2 million by 2019, with China accounting for 47 per cent of the total. In terms of global market share, electric cars have more than doubled from 1.4 per cent in 2017 to 3.2 per cent in 2020.

Hence, while Singapore should still develop a world-class public transport system, I see that more as a complement rather than a replacement of our overall transportation needs. The S$30 million set aside in Budget 2021 for EV initiatives will certainly be a boon for future EV take-up.

Lex Lee
Chief Strategy Officer
TOP International Holding

A model which we should aspire towards is an on-demand EV car-sharing system combined with a top-notch public transport system. This provides the flexibility of using a car when the situation calls for it or taking public transport for more routine commuting.

However, this may not be the eventual answer as reality of implementation hits. We will need to continuously assess and pivot without losing sight that we aspire towards a 'best of both worlds' situation. As most of us progress with our own sustainability journey, not losing sight of the big picture and taking into account other important factors is vital. This way everyone wins.

Kumail Rashid
EV Charging Solutions Lead, Asia Pacific
ABB

SINGAPORE is leading the way in diverse electric vehicle infrastructure adoption, with ebus charging infrastructure being a key area of focus as the city seeks to become truly car-lite.

ABB partnered the Singapore Land Transport Authority to deliver charging infrastructure for 40 single-deck electric buses. Singapore is also deploying automated guided vehicles (AGVs) at a key port terminal – this port is a true next-generation container terminal and will be the largest in the world by 2040.

The country's clear position on the standards ensures every advancement is precise, fit-for-purpose and future-ready. This has enabled Singapore to be a case study for the world, demonstrating the economic, social and environmental gains possible through EV technology.

Maren Schweizer
Director
Schweizer World Pte Ltd

THE way towards sustainable urban mobility requires a multimodal and interlinked transport system such as cars, public transport, and bikes. Future urban transport systems will connect transportation modes, services, and technologies in massively networked ways between vehicles, infrastructure, and users.

A well-connected system of systems can enable users to easily move from point A to point B with lower CO2 emissions regardless of mode. Furthermore, these innovations help to use the existing transportation system more efficiently.

Transformation is fuelled by technologies in the field of electrification of vehicles (EVs), connected and autonomous vehicles (CAVs), Mobility as a Service (MaaS) and renewable energy infrastructure.

Singapore policymakers have been laying the groundwork for digital-age mobility to serve as a model and create new local and export business opportunities.

Arthur Willmann
Chief Executive Officer
Porsche Asia Pacific

WE are lucky to be able to enjoy world-class public transportation here in Singapore. That said, for many, car ownership is a symbol of freedom. And, with the experiences of the past year, we believe more people are longing even more for this freedom today. This aspiration does not need to be compromised. With electric vehicles, there is a great future for cars as long as they are sustainable and environmentally friendly, and Porsche is on this exact mission.

My personal experience with driving the Taycan, Porsche's first all-electric vehicle, around our city has been incredible. It's a vehicle predestined for a place like Singapore. It's smart, sustainable and clean. Drivers around the world would share this positive sentiment. With over 20,000 vehicles delivered, the Porsche Taycan was the most successful electric vehicle in its class, in 2020.

Adrian Lee
Co-Founder
Tribecar

CAR-LITE does not mean car-none. We nod in agreement when we hear doctors say they need transport for night calls and when families share their need for transport to carry the young and feeble. These needs will stay the same in 2040. EVs is the leading practical solution that meets our transport needs and our green targets. Concerns over clean power generation can be effectively tackled with governmental efforts funded by the Green Bonds. At the same time, we must transition the current base of private transportation into public systems (eg autonomous EVs) and shared-private systems (eg car-sharing) to go car-lite and obtain the full green impact.

Dora Hoan
Chief Executive Officer
Best World International Ltd

IN terms of realising a cleaner future for transport, both electric vehicles and car-lite strategies are complementary. In real life, there are many occasions when the car-lite option would not be practical enough to cover or fulfill, such as an emergency, security tasks, or private trips, etc. Furthermore, the aim towards a zero-waste Singapore should demand near net-zero greenhouse gas emissions from any and all vehicles, including public transport buses and taxis.

Therefore, the ideal plan is to adopt dual measures simultaneously – ie develop EVs powered naturally with renewable resources, especially solar energy, besides embracing car-lite initiatives. To realise this, the authorities would have to continue to improve the coverage of public transport as well as the charging infrastructure for EVs. This will be a sustainable mobility revolution leading to a healthier lifestyle, less pollution, less traffic, safer roads, and optimal resource utilisation.

Seamus Phan
Chief Content & Technology Officer
McGallen & Bolden

IN Tokyo, there is almost no need to drive or take a cab. It is convenient to walk, the transport infrastructure and connectors are well thought out. It's a decent commute most of the year, apart from summer, especially if you can stagger your work hours. Conversely, Singapore is not a homogenous dense development and so going 'car-lite' is more difficult. To travel from the suburbs to an industrial area may not involve just a MRT ride and a short walk. There is usually a need to change shuttle buses plus walking. And, in our weather, it is not pleasant to cycle to work, arriving drenched in sweat. If there are easily accessible shower, changing and locker facilities, and more connected infrastructures everywhere, these may then accelerate a welcome from general commuters to go 'car-lite'.

David Leong
Managing Director
PeopleWorldwide Consulting Pte Ltd

The rationale for a car-lite transport strategy is one of necessity. Singapore is a small country with scarcity of land and, if more roads are needed for the huge demand for cars, it is not sustainable.

The push for EVs has a different agenda – it is about preserving the environment with clean energy generation and consumption. Singapore's push for the "green agenda" has economic leverage since it can create transport grids with smart infrastructure and be the first in Asia to successful launch such ambitious road/transport system.

Aaron Tan
CEO and Founder
Carro

A CAR-LITE society is an ideal scenario though we have to remain rooted to reality where the use of cars remains necessary for many people for various reasons. The pandemic, for instance, has increased the dependence on private vehicles for families with young children, elderly folk or those who need to minimise contact with crowds or shared surfaces. The question then is how can we reduce the impact of cars on our roads – be it environmentally or on our wallets. This can be done through the gradual shift to electric cars and through usage- or subscription-based models where you only 'pay-as-you-drive' that incentivises drivers to take fewer (and only essential) trips.

Lim Soon Hock
Managing Director
PLAN-B ICAG

WITH the incentives and the infrastructure in place, it is inevitable that EVs will be the new normal for driving in Singapore in the years to come. The internal combustion engine will be obsolete technology. Apart from contributing to cleaner transport, EVs being quieter and therefore more pleasing to drive will appeal to more drivers. Encouraging people to give up cars and switch to other forms of transport, such as our MRT or cycling, will remain a challenge for Singapore's push towards becoming car-lite. It is all about behavioural change. People can satisfy their desire to own cars but should restrict usage as much as possible, for example to during weekends for pleasure, and the joy of driving. To drive this behavioural change, perhaps for the next three years, the government may want to offer one month of free MRT rides, to convince the uninitiated or non-riders to experience the convenience of MRT, apart from the appeal of substantial cost savings, shorter commute time, no traffic jams and no hassle of looking for parking. Although I own a car, I now take the MRT for meetings in town, and I can vouch for all the aforesaid benefits.

We can all contribute to a car-lite Singapore by changing our behaviour from today.

Annie Yap
Founder & chairman
The AYP Group

I believe that electric vehicles are the way to go for the future of driving in Singapore. While going car-lite has been extensively discussed, it just is not feasible. There are already some 1 million motor vehicles on the road in Singapore and many working Singaporeans need a convenient way to get themselves to work, their children to school and back home. Cars ultimately add convenience to the lives of Singaporeans; going car-lite would cause inconvenience for so many in the community. Instead, electric vehicles are not only eco-friendly, but offer the same level of convenience as regular vehicles.

Sridhar Pinnapureddy
Chairman
Cloud4C

SINGAPORE has already committed to 2030 climate goals that are some of the most progressive compared to most other countries worldwide.

The country has developed great cycling tracks for pleasure riding through parks, etc, but work-related biking is the best way to control pollution and to get many more people to adopt it – it saves costs, time and gives some exercise. More people may cycle to work if we have bike lanes, and shower and parking facilities at workplaces. Companies can help encourage a cycling culture. We can also make it easier for bike rental companies to operate.

EVs are as green as the energy used for charging them. If we can get access to renewable energy we can look towards converting to full EVs in 5 – 10 years. Even better would be driverless cars – which would be more environmentally-friendly, and bring down costs and accidents.

Kartik Krishnamurthy
Managing Director
Cornerstone OnDemand Asia

SINGAPORE spans 728sq km, which we all know makes it one of the smallest nation city states in the world. Despite its size, the country punches way above its weight and has demonstrated that with the right focus and investments in the right areas it can be a truly global power. Firstly, Singapore's focus and investments on its Go Green initiatives are crucial as climate change is an existential crisis for the island city state. Secondly, owning a car in Singapore, EV or combustion engine, is more a "status symbol" than anything else. The government has put in place policies to reduce the number of vehicles on the road and rightly so. Thirdly, the investment being made to connect more parts of the island is another step in the right direction to (a) reduce the number of cars on the road and (b) reduce overall carbon emissions. In my view, Singapore needs to be more car-lite and provide the infrastructure for folks to be able to cycle and/or take public transportation. Private transport is one of the world's biggest sources of greenhouse gases, with emissions rising every year.

So instead of EVs, we should explore the opportunity to have more bicycle lanes and even electric bikes, along with public transport.

SINGAPORE ECONOMY

Singapore monetary policy to stay put in April review: analysts

Despite inflation uptick, core inflation still negative at -0.2%, just above the -0.3 % reported in December

By Annabeth Leow
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Singapore

HEADLINE inflation returned to positive territory for the first time in nearly a year, as all-items consumer prices rose year on year in January.

But with core inflation still underwater, economists do not expect the central bank to tweak monetary policy at its next review in April.

The headline return to growth "signals a good start to the year in terms of spending", said Prakash Sakpal, senior Asia economist at ING, as the all-items consumer price index (CPI) rose by 0.2 per cent year on year on higher car prices and housing costs.

Yet core inflation, which the Monetary Authority of Singapore (MAS) uses as a guide to its currency settings, was still negative at -0.2 per cent – just a hair's breadth above the -0.3 per cent reported in December.

As such, the Singapore dollar nominal effective exchange rate (S$NEER) will likely be kept to a flat "zero" slope all through 2021, watchers said on Tuesday, after the MAS and Ministry of Trade and Industry (MTI) jointly released the latest inflation data.

OCBC chief economist Selena Ling noted that the persistent negative output gap and weak labour market outlook could give the MAS pause, especially as positive inflation prints may be buoyed by a low year-ago base.

Economist Brian Tan of Barclays has entertained the thought of a monetary policy tightening, in the form of a slightly steeper slope to the policy band that the Singdollar can trade in.

But the likelihood of such a move is only marginal. Mr Tan warned: "The MAS will likely remain cautious even if economic activity picks up faster than expected, as any recovery could suddenly fall off the rails if Covid-19 infections surge again...

"The MAS is unlikely to lead the region in taking the first step towards policy normalisation."

Citi analysts Kit Wei Zheng and Ang Kai Wei said that "MAS normalisation (is) more likely in 2022", with tightening likely to come in April next year, rather than later in October.

That is as the most recent lift to headline inflation stemmed from higher private transport costs, plus a faster increase in rents, which was attributed to the end of rebates for public rental flats. These costs are excluded from the core inflation gauge that influences monetary policy.

Still, private transport costs are expected to keep up their momentum from a newly announced petrol duty hike, likely higher ERP gantry rates, and an increase in certificate of entitlement (COE) premiums.

"The petrol component... will rebound strongly this year on rising energy prices," said Maybank Kim Eng's Chua Hak Bin and Lee Ju Ye.

The MTI and MAS reiterated their forecast for core inflation to "turn mildly positive this year", in part due to the projected rise in oil prices.

The authorities have singled out the continued rise in Brent crude oil prices since the last three months of 2020, which was fuelled by output cuts from the Opec+ production bloc.

Similarly, JP Morgan economics and policy research analyst Ong Sin Beng expects core inflation to average 0.3 per cent in 2021. He has tipped it to "rise gradually, mirroring trends in labour and muted industrial rents".

OCBC's Ms Ling expects core inflation of 0.5 per cent and headline inflation of 0.7 per cent in 2021, if oil prices stay at US$55 a barrel. But, should prices average a higher US$60 a barrel for the rest of the year, "headline CPI could rise closer to the 1 per cent year-on-year handle", she said.

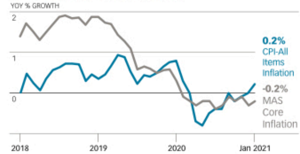
The official outlook remains for core inflation to average between zero and 1 per cent in 2021. All-items inflation is forecast to fall between -0.5 per cent and 0.5 per cent, although the Maybank Kim Eng economists expect the range to be bumped up to zero to 1 per cent in April.

Besides higher transport costs, Dr Chua and Ms Lee are also looking at a larger increase in global food and commodity prices, as weather woes drive up palm oil and cereal costs.

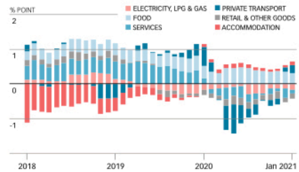
ING's Mr Sakpal was warier: "Other than the low base effect kicking in from April, there is little on the horizon to significantly alter the ongoing low inflation trend over the rest of the year," he told *The Business Times*.

Cars, rents cost more

CPI-All Items and MAS Core Inflation



Percentage point contribution to year-on-year CPI-All Items Inflation



Note: Private transport and accommodation are excluded from the MAS Core Inflation series.

Key CPI categories

CATEGORY	YOY % CHANGE JAN '21	YOY % CHANGE DEC '20
Services	-0.3	-0.8
Food	+1.5	+1.6
Electricity and gas	-9.7	-6.7
Retail and other goods	-1.3	-1.2
NOT INCLUDED IN CORE INFLATION		
Private transport	+1.9	+1.2
Accommodation	+0.5	+0.3

Source: MAS, MTI estimates

COMMENTARY: SINGAPORE BUDGET 2021

In pursuit of economic, social and environmental sustainability

By Max Loh

THE 2021 Singapore Budget shows that pursuing a sustainability policy agenda is not only about "doing good", but is a basis for "doing well" and pursuing economic excellence.

The Budget, delivered by Deputy Prime Minister and Finance Minister Heng Swee Keat on Feb 16, positions Singapore well to address the threats and opportunities presented by climate change, even as the country tackles the immediate challenges of the Covid-19 pandemic.

Climate change, as Mr Heng and other ministers have put it in recent times, represents an existential threat to Singapore, with its low-lying land mass. Globally, there has already been much attention on the climate change agenda.

The World Economic Forum's annual global risks report emphasises the narrowing window of opportunity to address the risk of runaway global warming, along with its associated dire social, economic and ecological consequences.

The United Nations Environment Programme continues to repeat warnings that pledged national emissions reductions are neither backed up by national policies nor likely to be effective in limiting global warming.

Responding to these challenges will require us to reshape our consumption patterns, and the manner and distribution of economic gains. It will rely on our capacity to rapidly upscale and disburse technological innovations, many of which are in nascent stages of development.

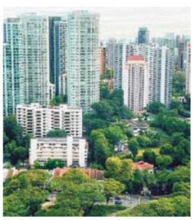
It might be tempting to despair and say the challenges are beyond our collective capabilities, leading us to respond by narrowing our horizons and addressing only more immediate and apparent self-interest, and indeed, self-preservation considerations. But such thinking must be turned on its head.

There is ample evidence that addressing climate change presents economic opportunity and societal benefits. An outward-looking focus will benefit both national and international interests.

Every stakeholder in the eco-system has a part to play: individuals, businesses, investors, central banks and governments must act collectively to provide the urgent and enduring solutions to this environmental sustainability question.

Encouragingly, looking at climate change responses as a positive opportunity rather than purely as a threat that must be mitigated is now coming more to the fore in the thinking of policy-makers.

In this context, the Singapore Budget 2021, along with the Singapore Green Plan 2030, are innovative and exciting developments. Together, they directly address the transformational opportunities associated with sustainability-oriented fiscal and related policy settings.



Together, Budget 2021 and Singapore Green Plan 2030 directly address the transformational opportunities associated with sustainability-oriented fiscal and related policy settings. BT PHOTO: YEN MENG JIIN

This is a bold approach, given the relatively small size of the Singapore economy in global terms, its financial services character, and Singapore's modest contribution to global carbon emissions.

Notably, the Green Plan's 2030 timeline is more than just symbolic. It is indicative of deliberate policy setting around key milestone dates in the United Nations climate change convention to which Singapore, along with 188 other countries, became a signatory in 2016.

The "whole of government" approach in the Green Plan spans five ministries – Education, National Development, Sustainability and the Environment, Trade and Industry and Transport. This is highly commendable in practical terms. It demonstrates a coordinated effort across a wide range of sustainability initiatives and offers the opportunity for greater community engagement on the long-term benefits of the transformations underway.

National governments are often criticised for not "stepping up" in relation to hard policy choices around climate change, or, at a minimum, quarantining climate policy from fiscal policy.

Singapore Budget 2021 shows an informed and sensitive appreciation of the sustainability risks by the government. There is no reluctance to confront head-on the sensible and measured utilisation of both carbon tax and direct fiscal support to drive emissions reduction, infrastructure development, the building of public assets and consumer eco-sensitive preferences. Moreover, it demonstrates sectoral sensitivity towards emissions reduction opportunities spanning diverse areas of economic activity including transport and agri-business.

Importantly, Budget 2021 shows a strong desire to put Singapore ahead of the game in green financing, with initiatives such as being a green finance hub, issuing green bonds and associated finance market mechanisms, and exploiting business opportunities in renewables. These initiatives will enhance Singapore's status and competitive advantage as an international financial centre.

For the Green Plan to be both actionable and achievable, all stakeholders including corporates and individuals must take ownership. Organisations will need to nimbly adapt their business and operating models, and chart a decarbonisation strategy that considers both short- and long-term costs and benefits, as well as alignment with the metrics set out in the Plan.

Further support initiatives to help enterprises deepen capabilities in sustainability or green finance, or avail Sustainability Officer-as-a-Service, can catalyse changes. Public education on energy-efficient lifestyles, targeted and nuanced for different citizen demographics, will be important to create and sustain ripples of behavioural change from ground-up.

Clearly, each nation, depending on its size, stage of development and economic endowment, has a role to play in addressing environmental sustainability. Singapore has laid the broad foundations for the country's response. This is a refreshing treatment of a complex policy challenge, which may serve as both a stepping-stone for further development and as a leading example to other countries.

The writer is Singapore Divisional President, CPA Australia, and Managing Partner (Singapore and Brunei) at Ernst & Young LLP.
The views here are the writer's and do not necessarily reflect the views of the global EY organisation or its member firms.

No seat in electric vehicle race? Nickel miners, chipmakers are good proxies

Continued from Page 1

Mainboard-listed Avi-tech Electronics, which does burn-in testing for automotive electronic components is also a likely beneficiary, despite recent ratings downgrades in light of a global shortage of auto chips caused by supply chain disruptions.

Meanwhile, Lamborghini and Alfa Romeo distributor EuroSports Global has seeded its subsidiary in developing a fully electric and intelligent motorcycle, Scorpio EST-X1, targeted to be launched later this year.

RHB Singapore head of equity research Shekhar Jaiswal believes the best way to gain EV exposure in Singapore's listed market would be through ComfortDelgro's subsidiary Vicom, which does vehicle inspections. "Vicom already does vehicle inspections for ComfortDelgro's hybrid taxi fleet, and offers inspection service for EVs as well. Eventually with the push from the government for more EVs, there would be a larger vehicle population switching from ICE to EV, for which you will need regular testing and inspection. This is one listed entity that can gain from this transition to EV from ICE vehicles," he said.

EV maker Tesla has roped in DBS Bank as its preferred partner for loans. PHOTO: AFP

ComfortDelgro has also been trialling EVs, with the intent for mass rollout once they become commercially viable.

Banks that offer green car loans will also be able to participate in the growth of EVs when they hit the market down the road. Tesla has roped in DBS Bank as its preferred partner for loans, while OCBC Bank has partnered Charge+, a provider of EV charging infrastructure, to help it extend its network through its real estate clients. They will also work together to encourage OCBC customers to purchase EVs and charge them at Charge+ charging points.

"It's a chicken and egg story," Mr Jaiswal said. You don't have enough cars, so there's no incentive to build the infrastructure. Without the infrastructure, you wouldn't have enough cars."

Private players also need commercial viability before they will take on mass development of charging stations, he added.

ASEAN BUSINESS

Singapore firms hang on as Myanmar unrest escalates

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Singapore

SINGAPOREAN firms are doing their best to continue operating as usual, even as protests in Myanmar over the military's coup have escalated into a general strike.

Despite issues like intermittent communications and potentially slower port clearance, they have no intention to exit the country yet, as they still see opportunities in the long term and hope that the unrest will be temporary.

Andrew Chan, managing director of Asiatic Agricultural Industries, noted that the agrochemical firm has been in Myanmar since 1998 and is no stranger to operating in countries with political instability.

"This is not new to us... and is probably temporary," he said, adding that customers are still placing orders with Asiatic.

However, the unrest could make it harder for the relevant government agencies to clear the goods upon arrival. Mr Chan said the company will monitor the situation and get updates from customers, so as not to be caught in a situation where it is unable to collect payments on goods already shipped to the country.

"We have our team there and our customers are there; they know the situation. The important thing is to keep talking and have a feel of what's happening... We just make decisions as the situation pans out."

Meanwhile, recruitment firm PeopleWorldwide Consulting is still conducting interviews even though the interviews are "sporadically affected" by the Internet availability, and workers hired for clients may not be able to fly out due to Myanmar's current suspension of flights, said managing director David Leong.

Dairy and agricultural product exporter Teck Huat & Company, which derives half of its overall revenue from Myanmar, remains positive on prospects in the country, even though its restaurant and hotel customers had been badly hit by the Covid-19 pandemic before this latest crisis emerged, said managing director Teo Ching Wei.

Overall, the coup itself may not be so much a worry for firms, as some expect that the current government will maintain existing economic policies and trade flows – so as to not "impact their own economic viability", as PeopleWorldwide's Dr Leong put it.

The unrest is comparatively less worrying than the ongoing pandemic for companies like Modern Montessori International Group (MMI Group). Covid-19 restrictions have kept its Myanmar preschool closed, and forced discussions with a second franchisee to be put on hold.

"The main concern is the impact of Covid-19 on our business as schools remain closed, as the country is still grappling with the pandemic," MMI Group chairman T Chandroo said. When asked if MMI Group will stay put in Myanmar, Dr Chandroo said he will "wait and see" before deciding on the next course of action.

Nevertheless, the Singapore Business Federation (SBF) said the firms it is in touch with are hoping for a "swift and peaceful resolution", to minimise disruptions to business operations and activities.

The unrest, coupled with Myanmar being known to be tricky to navigate, could also dampen the country's appeal as a frontier market offering untapped opportunities in sectors like agriculture and infrastructure.

Myanmar has drawn interest from Singaporean firms in recent years. In an SBF survey of over 1,000 companies last year, 21 per cent of them reported a presence in Myanmar, up from 18 per cent a year ago.

But one firm told *The Business Times* that it had slowed its investments into Myanmar before this, as the environment was uncertain even under the previous government.

Mr Teo added that laws and regulations can be unclear in a developing economy such as Myanmar. Securing skilled labour can also be a challenge. Even so, "Myanmar is a beautiful country... and we've never regretted it since the day we started".

Separately, the Monetary Authority of Singapore said on Tuesday that it has not found "significant funds" from Myanmar firms and individuals in banks in Singapore. It added that financial institutions should remain vigilant to transactions that could pose risks to the institution, and fund flows potentially related to illicit activities.

受疫情显著冲击　去年本地大学生全职就业率下滑至69.8%

许翔宇　胡洁梅　报道
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去年毕业的大学生整体就业率虽略为提高，但受到冠病疫情显著冲击，全职就业率下滑11.9个百分点。69.8%的大学毕业生去年在六个月内找到全职工作，远低于前年的81.7%。

此外，打兼职工或临时工的毕业生增加了两倍，每五人中就有一人。尽管如此，值得欣慰的是，去年找到全职工作的毕业生，月薪中位数比前年多100元，达3700元。

新加坡国立大学、南洋理工大学、新加坡管理大学以及新跃社科大学昨天公布联合毕业生就业调查，约79%毕业生，即1万1800人参加去年11月展开的调查。

当中有93.6%在毕业后六个月内找到工作，包括兼职、自由业工作等，比率略高于前年的90.7%。然而，打兼职工或临时工的比率从前年的7%猛增至22.3%，当中参加"新心相连"毕业生实习计划的就占了16.9%。

资讯与数码科技毕业生全职就业率最高

大学的联合文告指出，11.3%毕业生是因找不到全职工而改做兼职或临时工，也远高于前年的2.4%。

资讯与数码科技、卫生科学和商科毕业生的全职就业率最高，分别是87.3%、83.3%和76%。资讯与数码科技毕业生的月薪中位数最高，达4760元，起薪的增幅也是所有科系毕业生当中最高的。

另一方面，国大、南大与新大的827名毕业生也参加另一项调查，该调查针对需要实践培训的特定科系，包括建筑设计、医学与法学等。这批毕业生当中，全职就业率去年是93.5%，低于前年的96.4%，全职工的月薪中位数也从前年的4800元，减至4625元。

人力部长杨莉明昨天走访在淡滨尼尚育民众俱乐部举行的一场劳动力发展局活动后，接受媒体访问时谈及上述就业调查。她说，"新心相连"毕业生实习计划推出后，反应令人鼓舞。鉴于就业市场仍不明朗，她鼓励毕业生好好把握这些实习机会。

政府已决定延长毕业生实习计划，目前还有2万5000多个空缺。杨莉明说："这可能不是你理想的工作或薪金配套，但从建立履历和培养生活技能的角度来看，这些经验是非常宝贵的。"

人力资源公司仁立国际执行董事梁昌国认为，去年毕业生进入一个较低靡的就业市场，但这是环球面对的问题，不仅仅是新加坡。

他指出，疫情冲击各阶层的员工，政府得推出各项计划协助新加坡人维持就业。鉴于招聘活动在今年初已有恢复迹象，他相信就业情况会在接下来几个月好转。

"'新心相连'毕业生实习计划旨在减缓失业问题，让求职者包括刚踏出校门的毕业生能从事一些有意义的工作。疫情当下，未充分就业的问题或许还会持续一阵子。毕业生必须有信心，对毕业生实习计划等过渡措施抱着正面态度。这类计划可帮助他们在经济好转时，更快地适应工作环境与步伐。"

不少毕业生平均和中位数月薪增加
刊第6页

GrabPay, Liquid Pay, Singtel Dash roll out PayNow services

Lester Wong

Users will now be able to top up their GrabPay, Liquid Pay and Singtel Dash e-wallets directly from their bank accounts and transfer funds between these e-wallets via instant fund transfer service PayNow.

Most e-wallets have typically required users to top up their funds using debit or credit cards, and transfers between e-wallets were not allowed.

This is the first time PayNow is being offered by financial institutions that are not banks, with Grab, Liquid and Singtel joining the existing nine banks that already have the service.

The move, announced by the Association of Banks in Singapore (ABS) yesterday, also streamlines the fragmented e-payments sector here by enabling merchants to accept payments through PayNow from users of both e-wallets and banking apps such as DBS PayLah! or OCBC Pay Anyone.

Previously, a merchant offering the GrabPay, Liquid Pay and DBS PayLah! payment options, for example, would have needed to form payment settlement relationships with each of the three payment providers.

Consumers will also be able to use the three e-wallets to make PayNow payments to merchants by scanning the Singapore Quick Response Code (SGQR) labels displayed at stores.

PayNow works by mapping users' bank accounts to their NRIC or mobile phone numbers, or Unique Entity Number for businesses.

"The welcomed addition of the three NFIs (non-bank financial institutions) will boost the adoption and usage of PayNow and accelerate Singapore's path towards a less-cash, digital economy," the ABS said in a statement.

Consumers will be able to use the three e-wallets to make PayNow payments to merchants by scanning the SGQR labels displayed at stores.

The PayNow integration with e-wallets makes use of a fourth payment proxy, called the Virtual Payment Address (VPA).

VPA allows individuals to link their mobile number – already linked to their bank account under their existing PayNow registration – to an e-wallet as well.

When sending money via PayNow to an e-wallet, users simply need to enter the recipient's mobile number as usual, followed by the country code, a "#" and the name of the e-wallet the recipient is using, such as "+6591234567#DASH" or "+6591234567#GRAB".

The VPA must always begin with the country code for it to work.

There were almost five million PayNow registrations as at last month, with more than $50 billion having been transacted since the service was launched in July 2017.

PayNow monthly transaction values crossed $5 billion last December alone.

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Analysts contacted said they have not come across other employers paying out bonuses as generous as Sheng Siong during the coronavirus pandemic, with one saying that even if there were other companies that did, they were in the minority and would likely reward only a small number of exceptional employees. ST PHOTO: IVAN KWEE

Sheng Siong's bumper bonuses for employees 'not the norm'

Many firms likely to be more prudent in years ahead amid uncertain outlook as a result of pandemic, analysts say

Calvin Yang

Supermarket operator Sheng Siong offering some employees up to 16 months' bonus, with eight months' bonus for most staff in general, appears to be an exception rather than the norm, observers noted.

Many firms are likely to be more prudent in the next few years, amid a highly uncertain economic outlook caused by the Covid-19 crisis.

Some companies in hospitality and aviation are likely to shave off bonuses or cut salaries in order to save jobs, observers pointed out.

But sectors that are thriving in the pandemic, such as healthcare, logistics, e-commerce and technology, could still give out decent bonuses, they added.

Ms Linda Teo, country manager at ManpowerGroup Singapore, said bonuses given by firms in technology, logistics and pharmaceutical sectors, for instance, are likely to be better than others "due to strong demand for their service offerings and strong business outlook" during these uncertain times.

"Usually, the bonus amount can be inferred from the industry's growth for the year. The stronger the growth, the better the bonus is expected to be," she added.

"However, with the pandemic still ongoing, companies may choose to be more conservative in their bonus payout and reserve the cash in case the economy takes a turn for the worse."

Analysts contacted said they have not come across other employers paying out bonuses as generous as Sheng Siong during the pandemic.

PLAYING IT SAFE

Usually, the bonus amount can be inferred from the industry's growth for the year. The stronger the growth, the better the bonus is expected to be. However, with the pandemic still ongoing, companies may choose to be more conservative in their bonus payout and reserve the cash in case the economy takes a turn for the worse.

MS LINDA TEO, country manager at ManpowerGroup Singapore.

Mr Paul Heng, managing director of NeXT Career Consulting Group, said: "Even if there were companies that also do this, they are in the minority, and only to a small number of exceptional employees."

Sheng Siong, in an internal staff memo sent out late last month, said its bonus was to recognise that it had "performed extremely well" last year compared with previous years, on the back of elevated demand for its offerings due to the pandemic.

Total bonuses for its staff, inclusive of the annual wage supplement, ranged from 4.68 months for eligible part-time staff to 8.36 months for general staff, 12.04 months for assistant supervisors and 15.72 months for those ranked as assistant managers and above.

Sheng Siong declined to comment when contacted.

Experts credited the firm's family-oriented culture, where staff share the rewards of their hard work, for its performance.

Singapore Human Resources Institute president Low Peck Kem said it was no surprise that if the firm continued to do well, its staff could expect generous bonuses.

But PeopleWorldwide Consulting managing director David Leong noted that such bonuses may not be repeatable, adding that others from the same sector may not follow suit: "Paying bonuses is discretionary and for Sheng Siong to go beyond the norm takes a great dose of generosity that can be unmatched."

Supermarkets contacted declined to reveal what kind of bonuses they gave their staff, but said their benefits are competitive.

FairPrice said it ensures that welfare benefits "are in tandem with economic and market conditions". "Staff rewards will be commensurate with employees' contributions and efforts during this challenging period," it added.

Dairy Farm Group, which runs Cold Storage and Giant, said its salary packages, which are commensurate with its business and individual performances, are regularly reviewed to ensure "they remain competitive by industry standards".

Sectors such as aerospace, hospitality and construction might not see bonuses this year due to lower demand and an uncertain outlook.

A large swathe of firms, from hotels and restaurants to airlines and aircraft overhaul facilities, are struggling to keep afloat, said Dr Leong.

Construction firms are also affected owing to the lack of flow of workers, he added.

Singapore's civil servants did not get any year-end bonus last year amid the economic fallout. There were also no mid-year bonuses.

Observers urged firms to be prudent during this period.

Mr Heng said: "The pandemic is still prevalent globally and no one really knows what to expect in the coming months, and maybe years."

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Weather

SINGAPORE

24/34°C

THUNDERY SHOWERS

Thundery showers mainly over southern, eastern and western Singapore in the late afternoon.

OUTLOOK

Wednesday: Late afternoon and evening thundery showers.

Thursday: Late afternoon and evening thundery showers.

AIR QUALITY

PSI 26-46 (Good)

24-hour reading as at 5pm yesterday

Sun	Moon
Rise 7.17am	Rise 4.52am
Set 7.21pm	Set 5.15pm

TIDES

Today: 3.09am (1.8m), 8.48am (2.6m), 3.48pm (0.4m), 11.16pm (2.6m).

Tomorrow: 4.15am (1.7m), 9.48am (2.8m), 4.41pm (0.3m), 11.58pm (2.6m).

askST

you ask, we answer

Matched Retirement Savings Scheme

How can this savings scheme help you to retire with higher CPF monthly payouts? Who is eligible?

E-mail your questions to askST@sph.com.sg (include CPF in the subject line)

Answers out on March 2

Woman groped by colleague ends up having to quit in fear

Despite witnesses, company lets man off with just a warning and allows him to intimidate her, she says

SAMUEL DEVARAJ

A woman was conversing with a colleague at a social gathering when a male colleague walked past and groped her buttocks. The incident left her shocked and confused.

"I remained where I was, utterly stunned, trying to process what had just happened," Maria (not her real name) told The New Paper in an e-mail interview last week.

Maria, who is in her 20s, later told some friends and family members about the incident and made a police report following their advice.

She also reported the colleague to her company's human resources department.

Maria said she had no direct working relationship with the man, but he had made uncomfortable comments in the past and also exhibited behaviour that made her and other female colleagues feel uncomfortable.

After an internal investigation, the company issued him with a warning, which surprised her because others had witnessed the incident.

Maria said the company told her it could not be sure that what the man did was considered molest, and it would take further action only if he was found guilty in court.

Mr Tan Hee Joek, a partner at law firm Tan See Swan & Co, told TNP that groping amounts to outrage of modesty, a serious offence that carries a jail term of up to two years, a fine and/or caning.

The former deputy public prosecutor added: "Legally, the evidence will depend on the accounts of the alleged victim and the witnesses. It will also help if there is other evidence like CCTV footage."

ANGRY

Maria, who declined to reveal her occupation, was bewildered and angry at the decision and felt the company had not taken the incident seriously.

She said the man also started coming to her work area more frequently and stared at her repeatedly.

When she told the HR department, no action was taken to stop his intimidation.

So she quit her job as she no longer felt safe and respected after the company failed to adequately address her concerns about her safety.

"I felt deeply let down, patronised and gaslighted," she said.

Dr David Leong, managing director of human resource company PeopleWorldwide Consulting, said the company should have acted more decisively and given a sterner punishment to the offender, especially since there were witnesses.

"Waiting for the court's judgment before taking further action makes it seem as if the management is deferring responsibility and may give the appearance that it tolerates such behaviour," he said.

With more workplace sexual misconduct cases being reported, all organisations must have strict and transparent protocols in place to deal with such cases, Dr Leong added.

Recalling how the incident had traumatised her, Maria said: "Since then, I have experienced anxiety whenever a man comes uncomfortably close to me – strangers in particular.

"I have had recurrent nightmares regarding the incident to this day. This entire ordeal has been extremely draining mentally and emotionally."

A study published last month by market research company Ipsos and gender equality organisation Association of Women for Action and Research (Aware) revealed that two in five workers in Singapore were victims of unwelcome sexual advances or remarks in the workplace in the past five years.

CONTINUED HARASSMENT

Ms Mamta Melwani, a senior executive at Aware's Workplace Harassment and Discrimination Advisory, told TNP: "Maria's company failed to provide her with a safe work environment following the incident by allowing continued harassment and intimidation.

"They should have implemented stronger deterrent measures to ensure her well-being throughout the investigation."

Ms Mamta said several factors could make a survivor feel anxious after reporting an incident, including potential retaliation and the possibility of facing the perpetrator at work.

In Maria's case, she said, all parties should have been provided with a timeline and overview of the investigation process, and prompt and sensitive communication would have helped to ease her anxiety.

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THIS WEEK'S TOPIC

How should higher-end HDB flats in prime locations be priced?
What issues, if any, are there in creating a two-tier (or multi-tier) public housing market?

The lottery effect – fair or foul?

The Pinnacle @ Duxton, a public housing project.
BT FILE PHOTO

Lawrence Loh
Director, Centre for Governance and Sustainability
NUS Business School

The sale of public flats in the Greater Southern Waterfront will offer an innovative opportunity to test fit-to-market subsidies. While the sale prices of these flats can be comparable to those in other locations, the high subsidies can be made explicit to the buyers.

Upon subsequent resales, levies can be imposed to recover these subsidies. Formulas can be derived so that buyers do not assume the risks of price fluctuations.

With this methodology in place, housing zones may be eventually stipulated for other parts of Singapore using differential levels of subsidies and resale levies. In essence, it is good for Singapore to move to a market-based system beyond the current uniform approach.

Victor Mills
Chief Executive
Singapore International Chamber of Commerce

The mission of the Housing Development Board (HDB) is to provide good quality housing for Singaporeans at affordable prices. That mission must be delivered irrespective of the location of the flats. The only two-tier pricing structure in public housing should be the choice between HDB flats and executive condo units.

It is a matter of satisfaction and of social equity that HDB flats be built on prime land. Such sites should never be the exclusive preserve of only the very wealthy, many of whom would be foreign buyers. It is also a matter of social equity that HBD resale flats always remain affordable for Singaporeans.

David Kuo
Co-founder
The Smart Investor

Affordable housing is essential for a vibrant economy to thrive. But affordability, which can be a movable feast, must be flexible enough to be meaningful in a dynamic housing market where house prices are a function of supply and demand.

To maintain affordability, the maximum resale price of subsidised public housing could be capped at the same proportion of the initial discount to the average price of comparable private housing in the neighbourhood. Subsidies are provided using taxpayers' money. These subsidies should not be used to fund a property lottery if their objective is housing affordability.

Jeffery Tan
Group General Counsel
Chief Sustainability Officer
Jardine Cycle & Carriage

HDB apartments that are built in prime locations need to clearly reflect the substantial subsidy premium that is paid by the state to make these homes affordable to buyers. When they are subsequently sold, with million-dollar price tags (or higher), a mechanism needs to be designed that allows for a portion of the capital appreciation to be fairly shared with the state, and not totally pocketed as a windfall by those fortunate enough to be allocated such prime assets.

To those who may argue that this is not equitable, they should remember that HDB apartments are, in essence, leases from the state, which has the discretion (as landlord) to impose reasonable terms in their use and enjoyment.

Whatever model is finally devised, there needs to be a correlation between what one receives from the state to live in such premium location homes and the subsequent benefits that are reaped when they are sold. This reflects the principle that applies to all aspects of life: To whom much is given, much will be required.

Chia Ngiang Hong
President
Real Estate Developers' Association of Singapore (REDAS)

I note that the policy intent is for social integration and inclusiveness on an ongoing basis. Thus, HDB flats generally have to be affordable over the lease tenure. Prime land costs more. So, you either have to give a much higher subsidy to bring down the flat price (initially, and let the lucky first-timers benefit) or create a different category or product that will fall within the affordable range.

One option would be to include restrictive covenants in the leases or land titles, and/or reducing the length of lease to lower the flat price. The lease covenants could come in different shades to govern assignment/resale and buyer/occupant eligibility over the lifespan of the flat.

As this social policy is rather sensitive, HDB will need to carefully evaluate and strike a judicious balance such that it will still be attractive for the target public housing segment without incurring widespread unhappiness.

Sylvie Ouziel
International President
Envision Digital

Real estate policies of a state reflect critical social choices: wide access to house ownership as a factor of collective stability, blending to build a common identity, solidary redistribution (notably across generations) to cement social unity.

No policy will be totally exempt of "threshold" effects (between the ones who qualify and those who are ruled out due to their resources), deadweight effect (driving projects' inflation) or windfall effect but these should be minimised by laying out clear strategic goals, conducting simulations and modelling ripple effects in a systematic way.

In this specific case, mechanisms to drive the sought ownership stability but also to share back some of the upside at the time of resell would come to mind.

Hari V Krishnan
CEO & MD
PropertyGuru Group

Build-To-Order (BTO) flats in prime locations should continue to reflect an inclusive Singapore regardless of income levels. This would necessarily entail building a range of flat types from two-room to five-room and even rental housing.

The pricing of such flats would thus take into consideration the diverse housing needs of HDB flat buyers and continue to make public housing accessible. However, to ensure affordability, these BTO flats in choice locations are likely to enjoy greater government subsidies in addition to existing subsidies already provided for all BTO flat buyers. That could accentuate the "lottery effect" when these flats are subsequently sold in the resale market, as it would mean higher capital gains for the sellers.

As such, non-pricing measures can also be introduced to maintain equitability. These could include a shorter lease than the standard 99 years that is pegged to the buyer's age, as well as a higher resale levy or a longer Minimum Occupation Period (MOP) of, say, seven years instead of the current five.

Dileep Nair
Independent Director
Thakral Corporation Limited

Singapore's public housing policy is aimed at providing homes for the masses and creating an inclusive environment. Flats built must therefore be affordable as well as in locations all over Singapore.

To give people a choice as well as prevent exclusive enclaves, some public housing is located even in certain prime areas and sold at subsidised prices. However, the escalation of prices of such premium flats has outstripped that of flats in other areas. Aside from giving the lucky owners a windfall on resale, it also makes these flats quite unaffordable to many. This goes against the core objectives of public housing policy, given that the flats have been built using public funds.

It would be equitable to impose a requirement that such premium flats can only be sold back to the HDB and at a price that is determined by the Board so that the flats can be resold to new eligible buyers at a reasonable price. This will ensure that the potential gain that first-time owners receive on selling their premium flat is moderated, and keep the flats in such choice areas affordable to next-generation buyers.

Maren Schweizer
Chief Executive Officer
Schweizer World

Public housing has to maintain its purpose as a social asset. Therefore I believe we have to avoid multi-tier public housing markets with an adapted model. It is essential to avoid the notion that scoring a prime BTO flat is akin to winning the lottery.

A model that provides additional subsidies, encourages home-buyers to stay longer to create a community, and limits the windfall profits of a resale might be a way forward. Such a model could share profits between the home owner and HDB – with the percentage for HDB gradually reduced the longer the owner stays, but at a minimum of the additional subsidies.

I am convinced that Singapore will once more update its proven integrated scheme to benefit our community and serve as a role model for other countries.

Justin Loh
Country Director, Singapore
Veritas Technologies

Preserving HDB living in prime locations will serve to bridge the rich-poor divide and promote inclusivity by enabling the broad middle class to share the fruits of Singapore's transformation. To mitigate the lottery effect of obtaining a subsidised flat in a prime area, it is timely for the government to implement intervention policies to ensure the average HDB dweller is not edged out from living in these prime locales.

While it might not be a welcome move, higher-end HDB flats could include a price premium to balance between the principle of fairness underpinning the housing policies and market forces that drive pricing.

The government could also consider imposing restrictions, such as a longer MOP or higher resale levy to reduce speculation. This will go a long way towards maintaining the social compact for Singapore and ensuring that public housing, high-end or otherwise, remains accessible to Singaporeans.

Veronica Shim
Founder & CEO
Envysion Wealth Management

HDB flats were envisioned as affordable sanctuaries for all Singaporeans. However, the disparity in pricing by location despite standard subsidies can exacerbate social inequality. Furthermore, the government needs to avoid the perception of enriching itself from every new policy measure.

Besides longer MOPs or higher resale levies, the government could consider prime-location HDB applicants not receiving preferential rates for HDB flats, but rather requiring them to take the prevailing market rate or a premium over the preferential rate.

Further, to avoid appearing partial to wealthier applicants with such developments, a balancing set of measures is recommended from the time of application and the time of resale, so that the overall wealth effect is kept to the minimum.

Kelvin Lim
Executive Chairman, Executive Director & Group MD
LHN Group

The government should continue to keep HDB flats affordable in the interests of citizens. To mitigate the lottery effect of reselling HDB flats after the MOP, HDB can set a pricing matrix for all of its flats across Singapore periodically. Resale prices above the pricing matrix can be subject to tax.

A data-driven approach is required to identify a suitable pricing matrix across the various mature estates and to ensure pricing stability.

David Baey
CEO and Co-Founder
Mortgage Master

It is extremely commendable to include subsidised public housing in the master plan for the prime precinct of the Greater Southern Waterfront.

However, potential home-buyers with a median household income of S$9,000 typically obtain a maximum loan of S$600,000, which would limit their ability to purchase without a significant cash or Central Provident Fund (CPF) outlay.

Pricing BTO flats out of the reach of the average Singaporean goes against the intent of subsidised public housing. We should instead lean into the lottery effect, recognise that current housing policies significantly discourage investors from public housing, and celebrate those who are fortunate to secure a BTO unit in a prime location.

Lim Soon Hock
Managing Director
PLAN-B ICAG

There should not be any price cap on HDB flats just to make them affordable, so a multi-tier public housing market is unnecessary. Pricing must always be based on prevailing costs of construction and land valuation. Subsidies should be independent of these two principal cost drivers to prevent profiteering or speculation.

A good model is Pinnacle. That said, it can be further tweaked to ensure that those who deserve public housing have an opportunity to own one, pursuant to the country's stated policy to encourage citizens to own an asset that will appreciate in value.

Apart from imposing a MOP of at least five years, I think it is time for the government to consider seriously to allow resales back to HDB only. Not only will this preserve the purpose and intent of public housing, but it will be an effective tool against unwarranted speculation and unacceptable profiteering.

David Leong
Managing Director
PeopleWorldwide Consulting Pte Ltd

HDB's pricing mechanism for new flats and the secondary market dynamism create opportunities for flat buyers, particularly those in prime locales. The lottery effect, though statistically equitable since distribution is based on an impassive and clinical ballot system, does create a sense of unfairness, because those who secure units in prime locales have better returns on sales in the secondary market. It benefits a small group of lucky applicants. This sense of unfairness is unavoidable with the current system of ballot award.

Unless HDB manages and controls a secondary market exchange that buys these resale flats based on prevailing valuation through a pricing formula and resells to other home-buyers, large pricing differentials and fluctuations will happen. If there are multiple bidders for a resale unit, then the same ballot system – like in new unit allocation – will apply. This will eliminate the exceptionally high price differentials that are seen in the lottery effect, because HDB manages the price band both the buying and selling sides, and becomes the exchange for all HDB transactions.

In short, homeowners buy from HDB and sell only to HDB. HDB will then be the market maker, moderating high price differentials and truly making public housing affordable.

Henry Tan
Group CEO
Nexia TS Group

Young Singaporeans are especially thankful for HDB flats and we should continue to develop these for our future generations. As the land price is a major factor in the cost, we cannot ignore differentiated pricing for different locations. While we try to ensure that all Singaporeans get to enjoy the benefits of being a citizen, we cannot move to the extreme to become a socialist state where everyone should be entitled to similar things. Those who are in the private housing market understand fully that they have to choose the location based on their budget. It should be no different in public housing.

The government has a responsibility to offer Singaporeans affordable housing, but it cannot be a case of ignoring market principles. Having sales restrictions for certain housing segments and not the rest will not solve the issue. If we go back to the principle of providing affordable public housing, then we should stick to that mission and not interfere with free markets.

Public housing in the more expensive locations should be executive condominium-types of housing that command a higher premium. To make the apartments more affordable, the units can be smaller in size.

Ultimately, whether it is public or private housing, we need to maintain a free-market position to ensure equitable and sustainable outcomes.

Toby Koh
Group MD
Ademco Security Group

Being allotted a prime HDB flat like the Pinnacle at Duxton is like hitting the lottery, especially when the surrounding condominiums are priced a few hundred per cent higher. Yes, it is public housing with basic amenities – but location is akin to prestige in Singapore.

The pricing structure of prime HDB flats must be moderated so resale will not amount to too large of a windfall. The price must also reflect the prime location. Eligibility for application should be opened up to a wider spectrum of buyers.

The more people we allow an opportunity to bid, the fairer it will be. After all, HDB has been using the lottery system for a long time now, and it is accepted practice.

Annie Yap
Chief Executive Officer
AYP Group

Higher-end HDB flats in prime locations, as expected, will definitely cost more than those that are a little more out of the way. While it is understandable that prices in prime locations are pricier, they should also be relative to the income levels of Singaporeans.

While a multi-tier housing market makes for good marketing based on desirability of locations, it may also put houses in these choice locations at risk of a housing bubble, which happens when prices surge due to high demand. In turn, nobody can afford these prices, and real estate demand ultimately decreases.

Mario Singh
Chief Executive Officer
Fullerton Markets

The Greater Southern Waterfront is a huge project that spans about 2,000ha of land, or six times the size of Marina Bay.

With the entire development taking full advantage of Singapore's southern coastline including the plan for 9,000 home units, it is fair to ask how the HDB flats there would be priced. Herein lies the tension: on one hand, the mission of HDB is to provide affordable and quality housing. On the other hand, property prices in the southern region of Singapore have traditionally fetched relatively high prices. This includes homes in Districts 4 and 5, where the Greater Southern Waterfront project lies.

Hence, the sweet spot in pricing housing units here must take into account the possibility of lowering or removing the subsidies altogether, because of the affluent profile of the potential buyers.

Chia Ngiang Hong
President
Real Estate Developers' Association of Singapore (REDAS)

Yes, not only will I encourage my staff to get vaccinated against Covid-19, I will also urge my Redas members to do so. Vaccines have largely proven to be successful throughout human history. Given the very stringent process in developing and testing, along with trials to ensure safety and effectiveness before approval for use, and also our HSA's rigorous review process, we ought to be confident that any approved vaccines have met the requisite criteria. Getting vaccinated will provide valuable peace of mind to management, employees and the people around them, as well as contributing to Singapore's efforts to reach a critical mass in the population achieving herd immunity. We can then better plan and take the next crucial steps towards meaningful recovery. But we should not let our guard down and must continue to be vigilant, especially against emerging new variants of Covid-19. For these reasons, I would certainly be most willing to be vaccinated once my turn comes.

Ooi Joon Aun
President, Asia Pacific
Wyndham Hotels & Resorts

I fully support the vaccination plan! I am also in full alignment with the current approach in prioritising the frontline hospitality workforce and the vulnerable groups. I also hope that frequent business travellers like myself – as key enablers of economic recovery – will be considered as next in the line of priority, in preparation for the reopening of regional borders.

The reality is that immunisation is currently the most promising avenue to fight this pandemic, and I am all for it, including encouraging my friends, peers and colleagues to be vaccinated when it is available.

Maren Schweizer
Director
Schweizer World Pte Ltd

Employers have to take a stand and play a role in Covid-19 vaccinations. We have a responsibility to amplify public health agencies' efforts and advocate vaccination among our employees. Between anti-vaccine sentiments and the amount of misinformation through social media, it is a lot about communication and playing the role of a credible fact source. Schweizer's contribution cannot end here. We cover paid time off and costs. I will get vaccinated without delay when it is my turn to gain access.

By joining in to persuade people to get vaccinated, employers will not only help themselves, but it will also benefit society. Let us think holistically and continue to combine parallel tracks of a mask, hygiene, safe distancing, limited group sizes, and digital contact tracing, besides rolling out vaccines.

Mario Singh
Chief Executive Officer
Fullerton Markets

The age-old maxim "health is wealth" is perhaps even more relevant to all of us ever since the coronavirus began running rampant all over the world. Regardless of how we view the vaccines, one thing all of us can agree on is that our health and well-being remains a top priority.

The current conversations surrounding the vaccines are both robust and pertinent. On one hand, many are relieved that the vaccines are finally here. On the other hand, many are cautious. The top concerns are the speed at which the vaccines have birthed forth, potential sideeffects that may occur, and whether the vaccine can protect against new strains. According to information on gov.sg, the vaccines comply with the World Health Organization's guidelines and meet standards of safety, quality and efficacy. Hence, I would get the jab when my turn comes and encourage our staff to get vaccinated as well.

Toby Koh
Group Managing Director
Ademco Security Group Pte Ltd

Absolutely! I cannot wait to get vaccinated and enter the safe zone. It is vital to get most of our residents vaccinated so we can open up our country and economy. It will also take potential stress off our healthcare system. It is a personal choice but I will certainly encourage every colleague to embrace it. Even though vaccination does not mean one is not a carrier of Covid-19, I do hope that other countries will open up to vaccinated travellers. Let us get a Singapore government rubber stamp certifying that one is vaccinated in the passport, which may be vital for future travel.

Thomas Holenia
President
Henkel Singapore

Experts around the world consider safe and efficient vaccines essential to protecting vulnerable groups, as well as to gradually return to a more normal way of living. At Henkel, we welcome the current or expected approval of different vaccines as an important element in the ongoing fight against the Covid-19 pandemic. Henkel recommends adhering to the guidance of the local health authorities regarding the need or possibility to receive a vaccination. We will obviously respect and support the decisions of all our employees. Personally, I look forward to getting vaccinated as soon as possible.

Laletha Nithiyanandan
Managing Director
Behavioural Consulting Group

As a leader I am mindful of the needs of my team and will not make them feel compelled to take the vaccination. It has to do with the fact that it is not tested properly yet and we do not really know of the side effects. The Covid-19 situation in Singapore is under control and from a business perspective, travel is no longer that important as we have found ways around it. As a parent, I will get vaccinated if that is the only way I can see my children who are abroad.

Jeffery Tan
Group General Counsel
Chief Sustainability Officer
Jardine Cycle & Carriage

As we have seen in the past year, the chain of protection against Covid-19 is dependent on each of us playing our role in fighting this pandemic. They are from wearing masks to practising social distancing to maintaining personal hygiene practices like frequent washing of our hands. These are relatively easy decisions to make as they are all external in nature.

Now that there are available vaccines that can be injected into our bodies, we will each need to carefully evaluate their efficacy, the expert opinions and growing body of knowledge on possible side effects – weighing them in the context of our individual physical conditions, possible morbidity challenges and personal conviction.

While vaccination serves the greater good in fighting this pandemic, we should be thoughtful and thorough in making an informed decision that impacts both the community and ourselves.

Richard Kwok
President
The Institution of Engineers, Singapore (IES)

While Covid-19 vaccinations are optional in Singapore, we intend to strongly encourage and facilitate inoculation for the safety and well-being of our staff and IES members. As president of IES, I would lead by example. Although engineers are not frontline workers like healthcare professionals, we play essential roles in keeping our economic sectors going. Vaccination is a key enabler for us to be in the best position to fulfil our duties. It is important to note that the availability of these vaccines does not mean that the fight with Covid-19 is over. IES will continue to support engineers from various disciplines to enable greater safety for our people, smooth reopening of our economy and resumption of our daily activities.

Chuin Ting Weber
CEO and CIO
MoneyOwl

I would encourage everyone, including my colleagues, to get vaccinated against Covid-19 as soon as possible, and would definitely do so myself. Our leaders are leading by example, and given Singapore's high health safety standards, we can trust our national authorities to ensure vaccine safety. Getting vaccinated is not just about protecting ourselves, but also our loved ones and people around us. At MoneyOwl, our combination of digital and personal financial advisory services reduces the need for face-to-face meetings, but we still meet our clients in person at their request. Getting the Covid-19 vaccine would let our clients know that they are in safe and good hands in every way – from improving their financial health with our dedicated advisers, who work on salary and not on commission, to maintaining their physical well-being with advisers who are vaccinated from Covid-19.

Sng Khai Lin
Co-founder and CFO
Fundnel

The health and well-being of our employees have always been of paramount importance, especially since we normally engage in business travel to facilitate deal flow – a key aspect of our operations. We foresee ourselves doing so again once the authorities have deemed it safe. In this aspect, I will highly encourage my employees to get vaccinated, so they can work with peace of mind. As for me, I will get the vaccine once I can — I believe it is better to be safe than sorry!

John Ng
Chief Executive Officer
YTL PowerSeraya

For us, an essential service provider, the health and safety of our people are of utmost importance. As such, I am supportive of having our people inoculated and will give time off for our staff to do so as needed. With the vaccination, they can be better protected from the Covid-19 virus. This move will not only help protect their family members, but also their fellow colleagues who are working in power generation, a critical service sector. For similar reasons, I will do the same when the time comes. Moreover, the vaccination programme as outlined by the government is transparent and comprehensive, thereby giving the added assurance that the programme is very well managed.

Koh Chin Beng
President
The Institute of Internal Auditors Singapore

As a professional body for internal auditors, we have to meet with our members on a regular basis. If our staff are vaccinated, our members will feel more comfortable engaging and interacting with us. We encourage our staff to receive the Covid-19 vaccination, which will allow a safe return to the workplace and drive economic recovery. As the president of the Institute, I can lead by example and be the first to take the shots. At the end of the day, we will treat our staff like adults, allowing them to make the decision to be vaccinated or not. The vaccine is our best line of defence against the virus. By getting vaccinated, I am not just protecting myself. I am also doing my part to protect others. Everyone plays a part. When more of us are vaccinated, it will be harder for the virus to spread.

Tan Mui Huat
President and CEO, Asia
International SOS

The Covid-19 vaccine is a major milestone in containing this pandemic and reopening the economy. With the government announcing its immunisation campaign, businesses should support the national communication efforts to achieve a sufficient herd immunity. As with other vaccines, we are actively advising businesses on getting the inoculation for their workforce, and providing information for employees to make educated decisions on their health and wellbeing. In the same vein, I will be getting the vaccination when it is my turn.

With a vaccine available, businesses could also play a role in leveraging emerging digital health passports such as the ICC AOKpass application to facilitate business travel or critical on-site work. In the near future and with widespread adoption, these technologies will allow the authorities to verify proof of vaccination and work towards reopening global economies while also protecting the health of citizens.

Sujith Sivaram
Managing Director
ESCO Pte Ltd

I asked our vice-president of HR, Priscilla Ho, for her opinion on this – "Yes, we would encourage our team to get vaccinated against Covid-19, especially for the teammates who are at higher risk and those who travel between sites for work. The vaccinations serve as a protection not only for themselves but for those around us as well. However, in recognition of the concern of getting vaccinated, we would not enforce it on our team. We have faith that Singapore's Health Sciences Authority and the expert committee have done their due diligence, and trust in their review. When it comes down to it, we would encourage and share the right information with our teammates and the final choice should be left to them. If my turn comes, I will opt to get the jab as well." I concur with her views completely.

Helen Ng
Chief Executive Officer
Lock+Store

Mass vaccination will pave the road for current pandemic control measures and border restrictions to be loosened. I will support giving my employees time off to get vaccinated, especially since more than half are frontline staff. They would have to decide for themselves whether to get vaccinated.

Violet Lim

CEO & Co-Founder
Lunch Actually

As a Covid-19 survivor, I have personally experienced the immense stress that one and one's family have to go through. Thus, I would definitely take the jab when my turn comes, and I would strongly encourage my associates to do the same. Our company would also provide time off for associates who are going for their vaccination. There are, of course, certain risks attached to getting vaccinated. However, if we all take the "wait and see" approach, then nobody would end up taking the vaccination and it defeats the efforts of trying to achieve herd immunity through inoculation. I believe we, as business leaders, all have the responsibility to step up, lead by example and do our part.

Lex Lee
Chief Strategy Officer
TOP International Holding

Even as Singapore moves into Phase 3, and more people return to office, we are seeing a definite shift in attitudes towards the role of the office. To prepare for a post-Covid workplace, we have embarked on Future of Work (FOW) initiatives that include equipping the workplace with infrastructure to support physical, remote and hybrid working needs, as well as a series of activities that are centred around the physical and mental wellbeing of our employees.

Prioritising our team's health is paramount and since inoculation can prevent the spread of the virus, we will encourage our employees, especially those with many external engagements, to be inoculated. This will enable everyone to have a safe and productive work environment.

Ian Lee
CEO, Asia Pacific
The Adecco Group

Masks and safe distancing measures have reduced the spread of the virus, but we have seen that this is not enough. I would encourage everyone to be vaccinated unless there are medical reasons not to do so. I will personally be taking my vaccination in the first instance. I believe that this is a responsibility that everyone must take to protect themselves and our community, especially for those around us who are more vulnerable to the risks. As a nation, we will need to achieve a 70 per cent vaccination rate, or perhaps higher due to the new, more infectious Covid-19 variants.

Hitan Mehta
Chief Executive Officer (Asia)
Acuutech

As an employer and enabler to other businesses, I would encourage our people to get vaccinated. While there are still unknowns about long-term effects, especially when it comes to procreation, this will remain optional for our team. Our team does travel, and therefore resuming it would enable us to service clients and partners more effectively in the region. Once the vaccine is available I will lead by example to my team and get the jab. Do I fully trust it is another question, but trust and faith have to be put in the experts who have worked tirelessly to get us to where we are today, along with the aid of supercomputers and past research.

Justin Loh
Country Director, Singapore
Veritas Technologies

The Covid-19 vaccine is a piece of positive news for Singapore, paving the way for recovery on both economic and social fronts. Kudos to the government task force – Singapore could potentially be out of the woods and return to normalcy, albeit a new normal, if the mass immunisation plan pans out well. At Veritas, we value the health of our employees and customers, with strict remote working edicts and reduced customer interactions in place since early 2020. I am excited by the positive impact of mass inoculation and will encourage all employees in Singapore to step up, myself included, when a vaccine is offered. Veritas will also make the vaccine available to locally-based employees who are non-Singaporeans at no cost, to safeguard their wellbeing, as well as that of our customers and their families who they interact with, in the spirit of promoting social responsibility.

Lim Soon Hock
Managing Director
PLAN-B ICAG

There is a compelling reason why our government is offering the vaccines to all Singaporeans and long-term residents for free. Beyond an incentive, it is intended more to achieve the larger objective of preventing the spread, if not a resurgence, of Covid-19. If all of us would like to achieve more normalcy in how we live, work and play – in particular with more human contact, and less fear and anxiety – then we should take up the offer to be vaccinated unless there are medical reasons for not doing so. The experience of other countries, such as the United Kingdom, that have started vaccination earlier than Singapore has demonstrated that the risks are very low. As our government has also carried out rigorous due diligence, we can take comfort that it is safe for all our employees to be vaccinated. As I am in the high-risk group, I will set an example to be vaccinated for all my colleagues in the various companies that I am involved in, not just to prevent myself from contracting Covid-19, but to also play my part in this costly national effort to contain, if not to stop the contagion.

Prevention is always better than cure.

Annie Yap
Chief Executive Officer
AYP Group

As an employer, the safety and wellbeing of all my employees are of utmost importance to me. As such, I would indeed encourage my employees to get vaccinated against Covid-19, and will also do so myself when the time comes. This would be for the safety of not only my employees and their loved ones, but also that of the community as well. I am sure there are many activities that all of us have missed being able to do since the pandemic started. For things to go back to normal as quickly as possible, we all have to do our part, and I strongly believe getting vaccinated is one of the most important ways to do so.

David Leong
Managing Director
PeopleWorldwide Consulting Pte Ltd

Vaccination is not the endgame in the fight against Covid-19, but it is the best defence in insulating against and reducing the risk of infection. Social distancing and conscious efforts to keep up with hygiene maintenance in the work environment is crucial at this point. Vaccination will get us to a stage of herd immunity and protection. As an employer, I strongly advise my staff to be vaccinated, especially the older workers. I will be in the queue for vaccination as this is a responsible thing to do. We need to convince the larger population that with overwhelming numbers being vaccinated, we can overcome this and have herd immunity and safe protection shields.

Dora Hoan
Group CEO and Co-Chairman
Best World International Ltd

I strongly encourage our staff to receive Covid-19 vaccination. As a frequent business traveller, I am keen to get myself vaccinated. We believe vaccination is our best line of defence against any infectious disease. This is an important strategy to stop the Covid-19 pandemic, as the more people get vaccinated, the harder it is for the virus to spread. Therefore, when we get inoculated, we are not only protecting ourselves but playing our part in protecting others around us and delivering a safer society.

Henry Tan
Group CEO
Nexia TS Group

A new year has started and everyone is eagerly hoping for a new beginning. What this vaccination will do for the world is a new beginning, as if serious cases of Covid-19 are controlled, the world can slowly open up and travel will be progressively restored. Singapore in particular needs to open our borders as we rely on international trade and business connections using Singapore as a hub. With this opening, there will be more imported cases and local transmission. Vaccination will help the process of Singapore's opening up to the world, and that is good for the country, for the people and for jobs. We need to help especially those who are suffering and who will not be able to hold on anymore if the borders remain closed. Hence I will support my staff to have the vaccination and they will be given time off to go for their jabs. If it is possible to do it like a blood donation drive at company premises, we would like to do so to encourage vaccination. I will certainly go get immunised once my turn comes.

Zaheer Merchant
Regional Director (Singapore & Europe)
QI Group of Companies

Legal considerations aside (compelling employees, obtaining waivers or constructive dismissal scenarios), our strenuous travel schedule and vaccine-passports being de rigueur, means our staff will need to get vaccinated. Both from an international and domestic requirement perspective, it makes perfect sense, as it can help ensure business continuity and safety at every level. Honestly, I am hard pressed to be first in line for the jab. Efficacy issues, development speed, vaccine protocols, side effect uncertainties and ratios are all so up in the air. The only impression I am left with is fear or concern. Neither is helpful, I warrant. Unless like all things, both dissipate with empirical evidence or effluxion of time.

Andrew Chan
Founder & CEO
ACI HR Solutions Ltd

For a recruitment company that specialises in the travel and hospitality space, the Covid-19 pandemic has obviously affected our business. Based on our annual ACI Report findings, the broader tourism industry saw nearly three quarters of the sector either retrenched or suffering deep pay cuts. Therefore, time is not a luxury we have, and without doubt I would encourage staff and the community in general to not procrastinate in getting vaccinated. I, for one, will without hesitation be first in line when the vaccine is made available to me.

Dhruv Arora
Founder and CEO
Syfe

The health and wellbeing of employees is our utmost priority. We will definitely be encouraging colleagues to get vaccinated when the opportunity arises. I plan to lead by example and get inoculated as soon as the jab is made available to me. The fight against coronavirus is far from over but getting the Singapore population vaccinated will be a huge milestone in the battle to overcome Covid-19.

The full list of views is available at http://businesstimes.com.sg

Madam Ang Goon Lay, 65, with her daughter, Lim Jia Hui, 27, holding a picture of then seven-year-old Lim Shiow Rong who was raped and killed in 1995. The murderer was never caught. The pupil was last seen at the coffee shop where her mother worked at in Toa Payoh Lorong 5. ST PHOTO: DESMOND WEE

Family of girl raped and murdered in 1995 appeal for help with case

Hopes of finding killer renewed with police arrest of man in the case of Felicia Teo, who was missing for 13 years

Jean Iau

The petite woman is often spotted apron-clad at a coffee shop at Block 75, Toa Payoh Lorong 5, busy clearing glasses and taking orders. The drinks stall owner chats easily with customers, but this merely masks the disquiet Madam Ang Goon Lay, 65, struggles with.

It has been nearly 26 years since her seven-year-old daughter Lim Shiow Rong was raped and strangled, and the murderer has not been caught.

On June 24, 1995, Shiow Rong told her mother she was off to see "papa's friend" and ran off while Madam Ang was busy at the coffee shop, which used to be owned by her husband.

That was the last time she saw her daughter alive.

Madam Ang's second daughter, Ms Lim Jia Hui, 27, has now made it her mission to find her sister's killer to help her mother find closure.

Speaking to the media yesterday at the coffee shop, Ms Lim, who works at a customer service call centre, said: "My mum lives in guilt. She thinks that she didn't take care of her daughter well enough and blames herself...

"So this is why I want to find the murderer. I don't want her to live in guilt."

Her hope of finding her sister's killer was renewed when police recently arrested a man for the murder of Felicia Teo, who had been missing for 13 years.

On Dec 17, 2020, Ahmad Danial Mohamed Rafa'ee, 35, was charged with murdering Ms Teo, 19, at a Marine Terrace flat in 2007. Another man is at large for the crime.

"If they managed to arrest someone so many years later," Ms Lim said, referring to Ms Teo's case, "hopefully the police can find who did this to my sister. I believe they can find something with DNA and fingerprints (since Shiow Rong) was beaten up".

Shiow Rong's body was found the morning after she went missing, in a semi-sitting position in a drain near Jalan Woodbridge on June 25, 1995.

Investigations revealed that she had been raped and strangled.

Ms Lim said that her father, Mr Lim Kim Siong, who was just one week into his jail sentence for drug-related offences at the time of the incident, also felt he was at blame. He died in 2016 from an abdominal aortic aneurysm.

"After he come out of prison, he changed a lot. He stopped his drug habits and became a good father. He felt very guilty because he thought it he did not protect the family," said Ms Lim.

"I don't want this to be a regret if I am not able to find my sister's killer. I have to step up," she added.

Ms Lim recalled how her parents took extra precautions with her while she was growing up because of what happened to her sister.

She stayed with a nanny until she was in Primary 5, and was often reminded never to speak to strangers.

Despite these precautions, Ms Lim recalled two incidents when she was in primary school in which men she did not recognise approached her, claiming to be her father's friends.

On one occasion, she walked off with a man, but her aunt spotted her from a distance and called out to her, causing the man to flee.

Ms Lim's search for her sister's killer has entailed sifting through the National Library archives online, digging up newspaper clippings of the incident that her grandmother has stored, studying a Crimewatch episode about her sister's case, as well as reaching out to Crime Library Singapore.

Crime Library Singapore founder Joseph Tan, who helped Ms Lim contact the media, said: "By making this case appeal, we hope to cast the net for information leading to the arrest of the culprits for the police to close this case."

jeaniau@sph.com.sg

MOM draws clear line between intra-corporate transferees and EP holders

Yuen Sin

The Ministry of Manpower (MOM) has drawn a clear line between foreign employees brought in from overseas offices of multinational corporations (MNCs) and other Employment Pass (EP) Holders.

Since November last year, such employees, who are known as intra-corporate transferees, are being told that they cannot bring their family members to Singapore via dependant's passes or long-term visit passes.

EP holders are allowed to do this if they meet the qualifying criteria.

The rule does not, however, apply to intra-corporate transferees if they come from countries that have a free trade agreement (FTA) with Singapore that stipulates that they can bring their families with them.

Intra-corporate transferees are also now being told that they will not be allowed to remain in Singapore for a limited period to find a new job if their work passes have been cancelled – unlike EP holders who can do so if they meet specific criteria.

Such intra-corporate transferees are a common FTA feature globally that allow for the movement of professionals for short periods to set up offices or for ad hoc projects, for example.

MOM told The Straits Times that EP applicants who wish to enter Singapore as intra-corporate transferees are subject to conditions consistent with Singapore's existing international obligations. These have not changed.

"Going forward, such intra-corporate transferee applicants could consider applying as regular EPs instead... Applicants should keep in mind the different conditions that apply before they submit their work pass applications," MOM said. The spokesman added that the changes are for "neater administration of work passes".

Intra-corporate transferees make up less than 5 per cent of EP holders here.

According to MOM's website, there were 189,700 EP holders as at June last year, down from 193,700 in December 2019.

The changes, observers said, could reduce the number of dependant's pass holders entering Singapore, and send a stronger signal that MNCs have to give consideration to hiring locals before transferring a foreign employee here.

Mr Ng Zhao Yang, a local principal with the employment practice of Baker McKenzie Wong & Leow, said the changes make clear that intra-corporate transferees "would not have the same privileges as other EP holders".

This would likely discourage employers from applying for EPs via the intra-corporate transfer route, which is exempt from the Fair Consideration Framework (FCF).

According to employment agents, such intra-corporate transfers are generally processed faster than EPs applied for under the regular route, where jobs have to be posted on the MyCareersFuture.sg portal for at least 28 days as part of the FCF before the company can apply for an EP.

The issue of intra-corporate transfers came under the spotlight last year, with critics arguing that FTAs like the India-Singapore Comprehensive Economic Cooperation Agreement (Ceca) have enabled sizeable numbers of Indian IT workers to move here as intra-corporate transferees.

But the Ministry of Trade and Industry (MTI) clarified last year that Ceca does not give Indian nationals automatic access to citizenship, permanent residence or employment in Singapore.

MTI has also said it is misleading to attribute the number of Indian professionals, managers and executives, especially intra-corporate transferees, solely or mainly to Ceca. Intra-corporate transferees here "come from a wide range of different source countries, with Indian nationals constituting only a small segment", it said then.

Intra-corporate transferees must still meet the EP criteria, as well as have industry experience, and must have worked in the parent company for a minimum duration.

Intra-corporate transferees' family members can still apply for dependant's passes or long-term visit passes if they are covered by an applicable FTA and meet prevailing criteria. This refers to workers from India and Australia, under Ceca and the Singapore-Australia Free Trade Agreement.

Dr David Leong, managing director of human resource firm PeopleWorldwide Consulting, said the recent changes are significant, as many intra-corporate transferees come from other countries that are affected by the changes.

"They send a strong signal that such intra-corporate transferees are a transient presence in Singapore – they come here to do a job, and then they go back," he said, adding that this move could slow the inflow of dependant's pass holders.

Labour MP Patrick Tay, who had called for greater transparency on intra-corporate transfers, said the changes are "an encouraging step towards ensuring that our Singaporean workers are not bereft of a fair chance for jobs and opportunities".

"While we cannot afford to close our doors to foreign professionals that may bring with them specialised skill sets, we must continue to guard against discriminatory hiring," he added.

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