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**SPEECH BY MR TEO CHEE HEAN, MINISTER FOR DEFENCE
AND MINISTER IN-CHARGE OF THE CIVIL SERVICE , FOR THE
OPENING OF THE IAC MEETING ON 19 APRIL 2007, 8.15AM, AT
THE RAFFLES HOTEL**

“World•Singapore” – Singapore in the World; The World in Singapore

Members of the EDB International Advisory Council,

Ladies and Gentlemen,

Good morning.

1. I am very happy to be here in the company of so many distinguished guests from all over the world for the Economic Development Board’s Ninth International Advisory Council (IAC) meeting. I look forward to the insights and foresights of IAC members which, I am sure will be refreshing and enlightening. On behalf of the Singapore Government, I would like to express my appreciation to the members for making available so many days of their time to help Singapore fine-tune our economic policies and development strategies.

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2. In order that the discussions of the IAC may be framed within a strategic context, I would like to share with you Singapore's growth formula going forward, which is invigorating and changing the way we think, work and live. This is a formula that goes beyond economic growth. It leads to what must be the purpose of economic growth, which is to create a secure future, full of hope, opportunity and progress for all Singaporeans.

3. Let me start by describing how things began for Singapore. We are a small country with no natural resources – a young nation, just over 40 years old. In the 1960s, the period before and soon after we left Malaysia in 1965, unemployment was at double digit highs. Our immediate priority then was to create jobs for our people and hope for the young generation. Industrialization was our answer to jobs, and education and training our answer for a future of opportunity. Those were the days when many ex-colonies all over the world, only recently independent, were unwelcoming of multinational corporations (MNCs) because they were seen as “neo-colonialists”, or colonial masters returning in economic garb.

4. Singapore went against popular convention. We opened our doors wide to MNCs. American, European and Japanese companies brought in capital, technology know-how, management capabilities and global markets. What Singapore offered were workers grateful for a job - willing to work hard and long, able to learn fast and adapt quickly, and take instructions in English. Add to this capable leadership, political stability, reliable infrastructure, education and skills training, and we have the Singapore formula for economic growth – “East plus West” – a successful strategy that brought

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investments and jobs; and peace, prosperity and progress for Singaporeans for many decades.

5. The global landscape is, however, changing rapidly. The “East plus West” formula has worked so well for Singapore that many countries have studied it, and embraced it. Their labour costs and land prices are lower. Even as we witness the simultaneous growth of Asia’s two economic powerhouses, China and India, there is intensifying competition for resources, investment dollars and global talent amongst developed and emerging economies alike. Competition is intensifying. What this means is that Singapore cannot simply stay with the “East plus West” formula. Businesses facing pressures on their bottom lines will choose to invest where they can make the best profits on a sustained basis. Singapore must offer “East plus West” plus!

6. What should Singapore’s new formula be? What makes companies decide in favour of Singapore even if on specific factors of production we may be more expensive like land or labour? The contents of this formula are not altogether new. We have been evolving many aspects of it, and in fact are already executing some of these strategies. Those of you who have been following our development closely would have seen parts of it in the transformation which began as far back as 2001, when the Economic Review Committee took a hard look at the assumptions underpinning our economic model and made recommendations to restructure the Singapore economy. We see evidence of this today; from the establishment of the National Research Foundation to boost our research and development efforts, to the strict enforcement of intellectual property protection; from encouraging entrepreneurship to the opening up of creative space in the arts and culture.

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7. This morning, I will speak about what this new formula entails so that there can be better understanding and better alignment among the public sector, the private sector, the general public as well as our overseas friends, of the course that Singapore is taking for national growth. It will provide a good context for the IAC's discussion over the next two days. This will in turn help accelerate our transformation process, so that opportunities may be recognised and taken up more quickly, and all involved are invigorated with a sense of working together for the future of Singapore.

8. The new growth formula rests on four attributes, which we may call "TKCL". The first is **Trust**. "Trust" expresses the Singapore character of trustworthiness, integrity, quality, reliability, productivity, rule of law, respect for intellectual property, and a strong stand against corruption. Singapore delivers on what we promise; we are people of our word. In a world of uncertainty and volatility, trust is an asset that is much valued.

9. The second attribute, "K", stands for **Knowledge**. "Knowledge" expresses Singapore's standing in the knowledge economy, our commitment to high levels of education and skills, complex manufacturing, high value-added services, technological savvy, IT competency, R&D and creativity. It is seen in our emphasis on capital-intensive, knowledge-intensive, and innovation-intensive activities across the entire value chain. This is a knowledge and talent hub where people in different fields create, grow and exchange ideas; where Chinese and Indian companies internationalise; where American and European companies make their entry into Asia; where views on the future of Asia and the growth of China and India can be discussed with the clarity that comes from being close to the action but distant enough from it to maintain objectivity.

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10. The next attribute, “C”, stands for **Connected**. By “Connected”, we mean much more than the physical linkages or market connectivity which Singapore is well known for. Certainly, being a sea and air hub, and an international financial centre, is critical for Singapore. And the Singapore passport, which allows entry into so many countries without the need for visas, also boosts our attractiveness. But more than these, by “Connected”, we mean the network of family, friends and fans of Singapore. Family is Singaporeans here and Singaporeans abroad whose heart is with Singapore. Friends and fans are those who have lived here, worked here, studied here, invested here, visited here, who have had good experience with Singapore. So good they will come again and again, and tell their friends to do so also. “Connected” refers to the emotional attachment of family, friends and fans who stand up for Singapore, speak out for Singapore and feel for Singapore, and in this way help investors and talent decide in favour of Singapore. We have, in EDB’s IAC members, excellent examples of Singapore’ ardent friends and fans.

11. At any one time, there are 200,000 or more Singaporeans overseas, working, studying or travelling. Last year, we played host to close to 10 million tourists and 170 business conferences. 7,000 MNCs operate here, with many expatriates who appreciate living in Singapore. 80,000 foreign students study here. With such a vast connection of family, friends and fans, we can imagine Singapore amplifying our voice and influence beyond our population of 4.5 million through a worldwide network of “ambassadors” supporting us: It could be as many as 20 million of them! We should not underestimate the potential of such an idea.

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12. The last attribute, “L”, stands for **Life**. “Life” stands for Singapore as a great place to live, learn, work and play in, where streets are safe, the community united, people friendly, the environment clean and green, the quality of life high, education standards superior, the cultural scene becoming more vibrant, and all of Asia with its diversity of cultures and recreational spots easily accessible by air. This is a good place to raise a family, where racial and religious harmony prevails, where a microcosm of Asia can be found, where people from East, South and West Asia feel at home, and those from beyond feel welcome. A place where modernisation and globalisation take place at an urgent pace, where there is an undercurrent of excitement and activity. Where in ten years, you will see a city radically different in its urban landscape, a global city which all Singaporeans can enjoy, and everyone else must see, must taste, must feel.

13. Trust; Knowledge; Connected; Life – this is Singapore’s new formula. To put it in simpler terms, Trust is why people come to us. Knowledge will be why they work with us. Connected is why people team with us. And Life will be why they stay with us.

14. The formula first came about from an exercise conducted over several months in 2005 by civil servants from across the government. Trying to answer the question on what should replace our “East plus West” strategy, they spoke to wide swathes of Singapore society and tapped on their ideas. They visited and studied different cities – including Brussels, Copenhagen, Dubai, Geneva, Hong Kong, Melbourne and Vancouver - to understand why people invested, worked and lived there. They paid particular attention to ‘non-customers of Singapore’ to understand where Singapore can do better and how even they might be attracted to Singapore. They then consulted

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academics and top private sector CEOs, among them “friends and fans” of Singapore, to focus thinking, sharpen the ideas, and to ensure that they had relevance and resonance. With these inputs, they came up with the themes I have just described, and recommended ideas to further them. They have given the formula the name “**World•Singapore**”.

15. You will agree with me that “**World•Singapore**” is a catchier name than “TKCL”. **World•Singapore** also carries many rich meanings, like:

The World in Singapore
The World with Singapore
The World trusts Singapore
The World connected through Singapore
The World finds opportunity in Singapore

and conversely:

Singapore in the world
Singapore networked with the world
Singapore innovates for the world.

16. As our civil service team contemplated the formula, they soon realised that it represents a far deeper idea than a strategy focused only on economic growth. Many aspects – such as fostering emotional attachment and making Singapore a great place to work, live and play go beyond economic development to also encompass social, community and human development. **World•Singapore** is therefore a larger framework that offers a compelling vision of hope, opportunity and a brighter future for Singapore.

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17. Today, the Government has incorporated **World•Singapore** as a vision for the future – it is the key organising idea that commits all ministries and statutory boards to work together to achieve this vision. Cross-agency teams have been formed to develop and implement initiatives in support of this formula.
18. Some of these initiatives have the potential to create sustained economic advantage for Singapore. For instance, we are beginning to export some of our public sector expertise to other countries. In China, India, Vietnam and the Middle East, our public sector agencies, working with Singapore-based companies, are developing industrial parks and housing estates, building and operating airports, building water treatment plants, advising governments on security and safety issues, and training civil servants and teachers. This export of public sector capabilities can become a key growth area for Singapore, and Singapore-based companies will benefit from the government’s forays abroad.
19. Other areas are not new, but we have accelerated their development. For example, our strategies to develop Singapore as a global schoolhouse and a healthcare hub have gathered pace and made new inroads. We have injected new impetus and energy to our efforts to attract talent to Singapore.
20. Ladies and Gentlemen, I started off this morning by talking about Singapore’s first economic growth formula - “East plus West”. I pointed out that this formula has since been adopted by practically every country serious about economic development. Singapore cannot continue to rely on this formula and expect to win against competition who can offer inputs such as

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land, labour and resources at lower costs. We need an “East plus West” plus formula.

- 21 **World•Singapore**, founded on the attributes of Trust, Knowledge, Connected and Life, is our formula for the future. It builds upon our core strengths to take us to the next level of development. It will not be easy for others to simply adopt this same formula. It has taken us many years to build up these qualities to a level where they have gained recognition and resonance as qualities that define Singapore. It will take other countries many years to build up the core elements that are pre-requisites for such a formula.
22. We will have to leverage strongly on these attributes: Trust, Knowledge, Connected and Life – and make the most of them to create opportunities and improve our quality of life, for the benefit of Singaporeans. In many of the areas, to achieve progress, we will have to break away from tried and tested approaches, and try something bold and new. We also need to inject a global dimension into the way we think and the way we work.
23. You will notice that the “dot” in **World•Singapore** is a bold red dot connecting World and Singapore. That red dot is a reminder to us that we may be a little place, but we have high hopes and dreams which we are going to strive for, and which we will achieve.
24. Let me thank, once again, all the members of the 9th International Advisory Council for being here to help EDB contemplate its future, and crystallize its direction and priorities. Thank you for sharing, as friends of Singapore, your honest and frank views, based on your knowledge and experience. I look

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forward to your inputs and contributions both in the formal meetings and the informal exchanges. Thank you.