

Newsletter



Institute for International Monetary Affairs
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Futures of Singapore and Hong Kong

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My recent visits to Singapore and Hong Kong made me reflect afresh on what is lying in the core of their strength and growth power.

Singapore

Last year, Singapore hosted a meeting of a private-based advisory committee to APEC. The country, small in its national land, has been continuously developing an artificial land into the sea, adding new urban premises to the city state. A few years ago, a hotel named Marina Bay Sands was opened. Many of you may know of this new landmark, as it is an unusually designed unique building with a ship located on top of three high tower buildings. The hotel is adjoined by a casino and a huge Convention Center.

The meeting I attended was held at the Convention Center. It was hosting several international conferences including an arms exposition, a seminar on business risk management as well as private sector gatherings for political dialogue like ours. They were conferences of great variety. I took a stroll around the Convention Center after breakfast, and I encountered many people bustling around, with someone standing in line for an early registration, someone examining closely his program just handed over, someone exchanging information with new acquaintances he just met, someone breaking into the conversations with a new group just introduced by his new friend, etc, etc. If someone was standing lonely, he was busy talking with his counterpart over the mobile phone. The place was filled with positive energy of people seeking for information exchange.

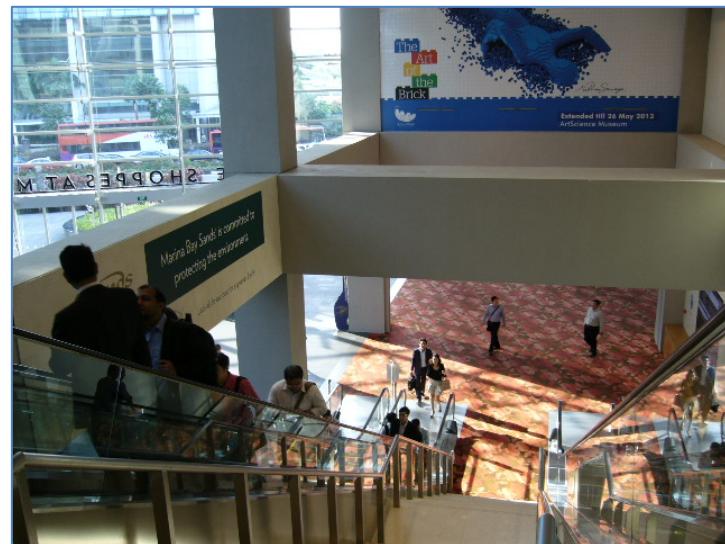
The building of the center is a well-designed structure, and eye-catching signboard gives you a comprehensive information on the full meetings for the day. In addition, each formal conference hall is accommodated with a spacious foyer in front of it where people can enjoy informal meetings and communications other than the formal meeting agendas.

They make me wonder why people are so eager to meet other people and try to get information from them. Possibly it comes from the anxiety that they cannot see the whole picture of things developing in the world.

When you look at an internal organization of a company, you will find that the specialties of each department and section are increasingly strengthened while at the same time their demarcations have become more and more obscure. It has become hard to understand from the grand structure of a company what its main line of business is. When the stocks of a major bank in Japan have changed from bank stocks to those of financial holding company, there were voices from many general investors that they cannot recognize which kind of stocks they hold. This is also true with the managers of a company.

It may not be too much to say that economic growth has always been generated from specialization and division of labor since the start of the civilization. And as the civilization progresses, the role of individuals has become more and more specialized and driven into narrower areas. As a result, it has become increasingly hard for anyone to grasp the whole picture of the world. Information exchange through actual and occasional gatherings is a desperate resistance against this deficiency. Information that focuses on special objectives may be collected online, but information to get the whole story can be more effectively collected through occasional gatherings of people. People in Singapore know well of this mechanism of civilization development and also know that, since they are located in the center of India, China and ASEAN, they will be able to materialize the potential communication needs of businessmen and policy makers in this area if only they can provide them with appropriate venues to such gatherings. Thus in Singapore it is a national strategy which places maximum importance to provide benefits to others that lies on the basis of their service hub economy. And the Convention Center is one of the embodiments of this strategy. The building is not a mere creation built on a whim.

People gather at Marina Bay Expo & Convention Centre from morning (photo by the author)



Hong Kong

Since around the time of its return to China in 1996, voices expressing concerns for the future of Hong Kong have frequently been heard. Maybe some of our readers also have been faced with a choice whether they should transfer their regional headquarter function in Asia from Hong Kong to other Asian countries.

Especially just after the Asian currency crisis, Hong Kong suffered from a severe deflation and there was a strong concern that the financial center of Hong Kong would be eventually replaced with Shanghai reflecting a rapid rise of the Chinese economy. Yet, Hong Kong still continues to attract people as a big business center in Asia.

I happened participated recently in a symposium organized as its biggest annual event by a leading think tank in Hong Kong. What I was impressed there was, although it may sound a bit exaggerated, that Hong Kong is beginning to newly appeal its existence value as a forum for the Chinese civilization to meet with the wisdom of other world.

The symposium was participated by an American Nobel Laureate, CEOs of British banks, as well as active and senior workers in the industry, government and academia from all over the world. Especially noteworthy were the participants from China. They included a former chairman of the China Banking Regulatory Commission, a former government official that led the reform of state-owned banks, and many others representing the management side of the Chinese economy and politics. They frankly participated in the discussions in English.

Presumably it would be China itself who has been most surprised and bewildered with the enormous expansion of its economy since the Chinese economy began to be deeply integrated into the global economy in early 2000s. From the Chinese people there arose an incentive to

learn from interacting with other people how to manage their economy. For that purpose, many provinces, cities and enterprises have established their international advisory committees.

As far as I have observed, however, the atmosphere of a conference is rather formal and still when it is held in Mainland China. It may be due to the formalities of arranging tables, or the ceremony presenting commemorative gifts, I don't know which, but it seems that the intellectual activities of the participants are often made rigid there. On the other hand, the meetings in Hong Kong are held in English on a more equal relation without prejudice of classes because their style is rooted in the culture of English speaking world. Many speakers present their speeches without text and sometimes with improvisations. Q&A sessions are also very active and brisk. Here in Hong Kong, even people who may act stiffly in Beijing take part in the honest discussion in a freer and more open atmosphere.

The symposium gave me an impression that a long-term prosperity of Hong Kong will depend wholly on a steady growth of China which is free from a conflict with other economies in the world, and that Hong Kong will get respect from China by acting as an arranger in that process. Through that process, different cultures or civilizations will become intermingled and bring about various reactions. And capitals will flow into Hong Kong to materialize those reactions into concrete business. The fruit from it will be received not only by China and Hong Kong, but also by all other countries of the world.

Not a few people have felt negatively about the transformation of Hong Kong after its return to China, but there still remains a free atmosphere in Hong Kong and above all it seemed to me that China itself has begun to acknowledge as necessary the value of freedom Hong Kong maintains.

Back to the beginning, what Singapore and Hong Kong have in common regarding the growth core is that both countries are carefully watching the mechanism how the world moves on, and that both of them, fully understanding the characteristics their geopolitical position exerts on them, are wisely thinking and acting on how to make a profitable use of such characteristics to better serve to other countries. It is often difficult for big countries to think the others' interests first. Therefore, as far as they center their characteristics as one of their axes for action, Singapore and Hong Kong will continue to shine in the global economy.

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