

THE STRAITS TIMES

# Asia report

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February - March 2018


INDEPENDENT • INSIDER • INSIGHTS ON ASIA

- Davos Debrief
- The buzz in India's East
- China's Confucian push



Malaysian Prime Minister Najib Razak faces an unprecedented challenge from former premier Mahathir Mohamad in the country's upcoming general election. What's at stake?

## Prime Battle



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# Mahathir-Najib: Battle Royale

Dear Readers,

**M**alaysia is scheduled to hold elections soon and all signs point to a face-off between incumbent Prime Minister Najib Razak and former premier Mahathir Mohamad.

The opposition is hoping that Tun Dr Mahathir will help topple the ruling Barisan Nasional (BN) government. But this remains a long shot, given the deep divisions in the Malay electorate, says our Kuala Lumpur-based regional correspondent Leslie Lopez, in our lead story for this issue.

Shannon Teoh, our Malaysia bureau chief, argues that BN is likely to pick up a few more seats, with help from recent redrawing of electoral boundaries.

The Straits Times will be fielding an experienced team of correspondents to cover the campaign and its outcome, bringing you the latest news, and analysis, on our website – [straitstimes.com](http://straitstimes.com) – as well as our app. You can also sign up for our newsletters online. Do follow our coverage of the hustings, which promises to be balanced and unbiased, aimed at helping you make sense of developments as they unfold.

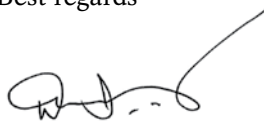
Asia featured in many discussion at this year's World Economic Forum meeting in Davos, which I attended in January. Among the key concerns on business and political leaders' minds was the growing income inequalities and declining public trust in communities around the world, as I sum up on pages 16 & 17.

Foreign editor Zakir Hussain writes on the growing disputes over history, Shefali Rekhi reports on the buzz in India's east as connectivity with South-east Asia takes shape and our US bureau chief Nirmal Ghosh gives his take on the growing talk of a possible military "bloody nose" option being taken up by hawks in Washington, angered by Pyongyang's push to develop its nuclear programme.

Also, check out our special report on the race to build supercomputers in East Asia too.

I hope you enjoy this issue of the ST Asia Report, which showcases some of the best work of our growing network of seasoned correspondents around Asia and the world. Our aim is to give you independent, insider insights into the news from Asia, which we have been covering from Singapore since 1845.

Best regards



**Warren Fernandez**

Editor-in-Chief  
The Straits Times  
& SPH's English, Malay and Tamil Media Group





**Asia Report**  
February – March 2018

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### We welcome your feedback and views

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**Leslie Lopez**  
Regional Correspondent



# Can he be PM again?

**The opposition is betting on Dr Mahathir to topple PM Najib Razak's ruling coalition. It is a gamble that could go either way.**

**F**or much of the last two decades, Malaysia's opposition has built its election campaign themes around pledges to reform the autocratic and crony-capitalist system of government designed by former premier Mahathir Mohamad, who ruled Malaysia for 22 years before stepping down in late 2003.

Since November, however, top opposition politicians have made an about-turn, telling voters that the 92-year old Tun Dr Mahathir – once their arch nemesis whose time in power saw many of the abuses that current premier Najib Razak's Barisan Nasional (BN) government is being criticised for – is the only man who can save the nation from its current troubles.

This new political dynamic has evoked strong emotions among Malaysians.

"For the last 20 years, Malaysians have given the benefit of the doubt to the opposition's reform agenda. But this embrace of Mahathir, who has yet to show any remorse for what he had done, threatens that goodwill and looks like desperation," said Dr Kua Kia Soong, a former opposition MP who was jailed under tough laws on detention without trial during Dr Mahathir's premiership.

Opposition politicians privately concur with Dr Kua and stress that the compromise with Dr Mahathir underscores how complex a moment this is in Malaysian politics.

In the 2013 general election, an alliance of three parties posted the opposition's best performance when it won the popular vote, with big victories in the country's urban centres dominated by non-Malay voters. The opposition alliance then comprised Parti

Keadilan Rakyat (PKR) led by jailed politician Anwar Ibrahim, the ethnic Chinese-dominated Democratic Action Party, and Parti Islam SeMalaysia (PAS). This core support for the opposition has remained intact, if not grown.

However, BN in 2013 coasted to a comfortable victory in an electoral system heavily tilted towards small, mainly Malay, rural constituencies that have long backed Datuk Seri Najib's ruling United Malays National Organisation (Umno).

It is in these seats that the opposition alliance – which PAS has left but which now includes its splinter party Amanah

and Dr Mahathir's Parti Pribumi Bersatu Malaysia (PPBM) – is counting on Dr Mahathir to deliver the crucial swing vote to tip the balance against Umno.

No one questions that Dr Mahathir's lead role in the opposition has made the outcome of the upcoming election, which must be called before end-June but which is widely expected some time in April, more unpredictable.

But the opposition's decision to turn to a nonagenarian, whose time in power saw the independence of national institutions eroded, to fix the country's woes hints at the dysfunctional state of national politics.



Dr Mahathir presided over Malaysia's rapid economic transformation from a commodity-dependent nation to one of the region's most robust economies, on the back of manufacturing exports and large investments in infrastructure development. The economic boom helped nurture a burgeoning urban middle class that benefited from the country's rapid growth.

When Dr Mahathir sacked and jailed his then deputy Anwar Ibrahim over differences in dealing with the 1998 regional financial crisis, the mainly ethnic Chinese middle class sided with Dr Mahathir while he moved to protect his legacy by using public funds to bail out troubled crony companies and to boost economic growth through a massive stimulus spending programme.

Dr Mahathir retired in late 2003 and handed power to his successor Abdullah Badawi.

But he did not stay quiet for long. Tun Abdullah's decision to scrap several Mahathir-inspired big-ticket projects brought the former PM back from retirement to openly campaign for his successor's removal. A year after BN performed poorly in the 2008 election, losing its two-thirds majority in Parliament, Mr Abdullah handed power to Mr Najib, who enjoyed the strong backing of Dr Mahathir.

Many urban Malaysians had pinned their hopes on Mr Najib, who has long been a strong proponent of Dr Mahathir's style of government, to usher a renewed period of economic boom after taking over from Mr Abdullah.

But the successive financial scandals under the Najib premiership, including the debacle at state-owned 1Malaysia Development Berhad that triggered

Many urban Malaysians had pinned their hopes on Mr Najib, who has long been a strong proponent of Dr Mahathir's style of government, to usher a renewed period of economic boom after taking over from Mr Abdullah. But the successive financial scandals under the Najib premiership have soured Malaysia's economic prospects and led to widespread rejection of the government among Malaysians.

criminal and regulatory investigations globally, have soured Malaysia's economic prospects and led to widespread rejection of the government among Malaysians.

It also saw Dr Mahathir quit Umno in 2016 following a fallout with Mr Najib, whom he has vowed to take down.

Dr Mahathir, the opposition's candidate for PM, has pledged to hand over the premiership to Anwar should the opposition win the polls and, in recent weeks, suggested that he would not stay on for more than two years in the top post.

The view among the country's urban middle class is that Dr Mahathir is the only person who can eject Mr Najib from power and put the economy back on an even keel. But Dr Mahathir's appeal in the Malay heartland, where pitched election battles will be fought, is more uncertain because the community has never been more fractured.

Many Malay-dominated constituen-

cies, which used to see straight fights between Umno and either PKR or PAS, are now facing three-way contests that could favour the dominant ruling party. Umno will now have to fend off PAS and either Dr Mahathir's PPBM or Amanah, both of which are members of the re-constituted opposition Pakatan Harapan alliance.

The opposition is betting that Dr Mahathir, who enjoys considerable pull with ethnic Malays, who make up more than 60 per cent of the population, would generate enough of a swing in the Malay vote to topple Umno.

It is a gamble that could go either way, with far-reaching ramifications for Malaysia.

Should the opposition under Dr Mahathir's leadership succeed, Malaysia would be pushed to uncharted waters. Its democracy has yet to be tested with a political handover at the national level.

Another scenario is that Umno's current grip on the 86 seats it holds in Parliament's 222-member Lower House could be shaved sharply by the deep splits in the Malay vote. That, in turn, could lead to a fresh round of horse-trading that would put investors on edge.

It is also a challenging time for the economy, even though it registered growth of 5.9 per cent last year.

Apart from pledges to stamp out corruption and check financial excesses in government, the opposition has yet to come up with a clear plan to introduce new drivers of growth apart from public-sector spending.

At this point, the only thing certain about a Mahathir victory would be uncertainty over Malaysia's future.

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## New electoral maps set to favour ruling coalition

**Redelineation, despite protests and court cases, expected to boost BN Parliament seats**

**Shannon Teoh**

Malaysia Bureau Chief



**M**alaysia's electoral authorities are rushing through new maps that critics say will further tilt the bias in favour of the long-ruling Barisan Nasional (BN) at a general election expected within the next few months.

Despite 16 months of protests and a record number of objections and court cases to declare the Election Commission's (EC) proposals illegal, Prime Minister Najib Razak is expected to table new maps in Parliament in

March, the last session scheduled before polls must be held.

The EC's redelineation exercise came under fire when a first proposal was unveiled in September 2016 for worsening malapportionment - the difference in the number of voters between wards - and shifting voters to ensure more victories for BN, which surveys say is at its most unpopular since Datuk Seri Najib took over nine years ago.

The boundaries, if redrawn, will affect more than half of Malaysia's

## How redrawn boundary affects vote in Bukit Katil, Melaka

### Original boundaries



### Proposed redrawn boundaries

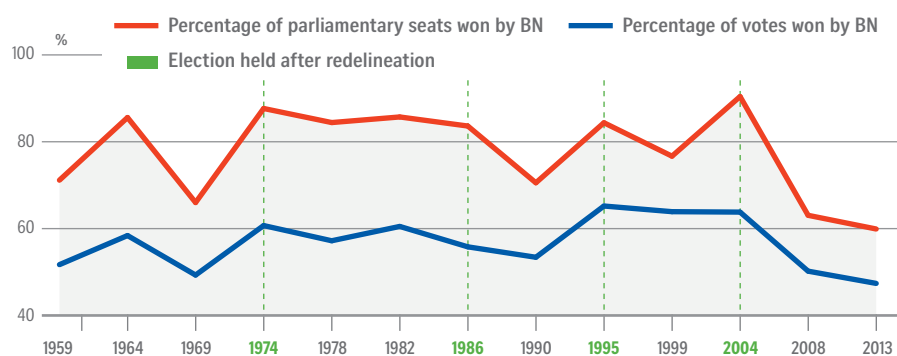


■ Five voting districts moved from Bukit Katil to Kota Melaka

### Impact of redrawn boundaries using 2013 election results

Constituency	After 2013 election	Second redelineation proposal
Bukit Katil (P137)	BN lost by 6,902 votes	BN wins by 1,242 votes
Kota Melaka (P138)	BN lost by 19,781 votes	BN loses by 27,925 votes

### BN election results after redelineation



Sources: Bersih 2.0, Institut Darul Ehsan STRAITS TIMES GRAPHICS

parliamentary and state legislative seats.

Critics say the changes will shift voters from marginal constituencies into opposition strongholds that are packed with more than 100,000 voters but still only represent a seat each in Parliament. Meanwhile BN-controlled seats, like Putrajaya, could have as few as 17,000 voters.

The changes largely affect five swing states - Johor, Perak, Melaka and opposition-governed Kelantan and Selangor.

BN stands to gain between eight and 10 more seats in the 222-member Parliament if they are approved, assuming voters vote the same way they did in the last polls.

It could gain even more as some opposition-held seats have become marginal or more Malay - the ethnic majority which Umno, the dominant party in BN, has been wooing.

"This is going to be a very racial election," former premier and now opposition leader Mahathir Mohamad

**Barisan Nasional stands to gain between eight and 10 more seats in the 222-member Parliament if the changes are approved, assuming voters vote the same way they did in the last polls.**

had said of the new maps.

After facing over 800 objections and at least 18 legal challenges, the commission has, in its second proposal, withdrawn some changes.

The opposition however says the current proposals still benefit BN. Historically, BN's representation in Parliament has always far outweighed its share of total votes cast, and the gap surges whenever a new map - done every decade - is introduced.

Professor Mohammad Redzuan Othman, chief executive of Selangor-based think tank Institut Darul Ehsan, said: "BN achieved victory not because they were popular but because they

## REDRAWING ELECTORAL BOUNDARIES

Malaysia's Election Commission (EC) is tasked by the Federal Constitution to oversee all ballots at both national and state levels. This includes running the polls, maintaining the electoral roll of voters - made up of Malaysians aged 21 and older - and proposing boundaries for each constituency every 10 years.

Up until 1962, the total number of voters in each ward had to be within 15 per cent of the average number of voters nationwide per constituency. After that, a concept known as "rural weightage" allowed for those areas to have constituencies that were half the size of the largest urban seat. But in 1973, after race riots resulting from the 1969 elections, a constitutional amendment removed such a cap.

The EC is now guided by vague guidelines on the availability of facilities to run an election, "inconveniences attendant on alterations of constituencies, and to the maintenance of local ties" while "the number of electors within each constituency in a state ought to be approximately equal" before accounting for "a measure of weightage for area" given to rural seats. These principles "shall as far as possible be taken into account" by the EC.

At the 2013 election, the suggestion that Kapar's 144,000 voters was considered to be "approximately equal" to Putrajaya's 15,000 drew scorn from critics, as have current proposals to create other seats with more than 100,000 voters.

Although the EC must listen to all valid objections from state governments, the local authorities - such as municipal councils and district offices - and groups of at least 100 voters from affected constituencies, it is not bound to adopt suggestions.

A final report sent to the Prime Minister will include these objections, with a - usually perfunctory - justification on why they were ignored or otherwise.

The Prime Minister then presents this recommendation to Parliament for approval, along with any modifications he desires. In effect, he can suggest any electoral map, so long as it is supported by a majority in Parliament.



were helped by the redelineation. They won by design.”

The existing maps are skewed enough that although 51 per cent of Malaysians voted for the opposition in 2013, it won only 40 per cent of Parliament seats. Some estimates say the opposition will need a minimum vote share of 58 per cent to topple BN.

But the struggle for Putrajaya could soon get even more difficult for the opposition. Malaysian electoral law allows the EC to send up any recommendation it desires to the

Prime Minister regardless of what has been made public previously. Mr Najib will also have absolute discretion to present any proposal to Parliament for approval.

Both the government and the commission have repeatedly denied any collusion or favouritism in the process. “Did Selangor, Penang and Kelantan fall to the opposition because the EC helped them?” commission chief Mohd Hashim Abdullah asked in an interview with Utusan Malaysia last month.

But for polls watchdog Bersih, which has organised five mass protests against alleged electoral abuses, the EC would already have failed by not fixing existing flaws in the system.

“Redelineation should reduce malapportionment, not just avoid worsening it. It is done regularly so that when new voters register, and voters move to new addresses, new maps can correct any imbalance,” a spokesman told The Straits Times.

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# The state of play

**At the heart of Malaysia's 14th general election is this question: Can the ruling Barisan Nasional (BN) coalition win back votes lost in the last two polls from a fractured opposition? Here's a look at 20 things about the current state of affairs:**

1

Malaysia has 222 parliamentary seats. Winning a simple majority of 112 seats determines who runs the country.

2

A two-thirds majority (66%) of 148 seats, also called a super majority, grants control of the House and the ability to push through laws.

3

Barisan Nasional (BN) had enjoyed a super majority in parliament since 1957. In 2004, it held 198, or 90% of the seats.

4

But in the 2008 election, this dropped to 63%, with the opposition making major gains. BN lost its super majority at this election, and has yet to gain it back.

5

At the last election in 2013, BN lost more seats to the opposition, leaving it with a 60% share.

6

Since 2013, BN has lost two more seats and gained one.

7

Pagoh in Johor was lost after ex-deputy PM Muhyiddin Yassin was sacked from PM Najib's Umno party.



Motorists pass under flags of Malaysia's opposition People's Justice Party and Malaysia's ruling National Front Coalition, or Barisan Nasional, ahead of the last general elections in 2013.

FILE PHOTO: AFP

8

BN is now 16 seats shy of a super, or two-thirds, majority. So, what might help BN achieve its goal? A divided opposition might...

9

Back in 2008, Malaysia's opposition coalition Pakatan Rakyat (PR) posted a strong electoral performance, winning 82 seats.

10

PR then gained an additional seven seats at the 2013 elections, ending up with 89 seats (40%).

11

But in 2015, one of the parties, PAS\*, left the PR coalition. This led to the end of PR.

12

The other two parties, PKR\* and DAP\*, then formed a new coalition called Pakatan Harapan (PH) with PAS splinter group Amanah\* and the newly formed PPBM\* led by former premier Mahathir Mohamad.

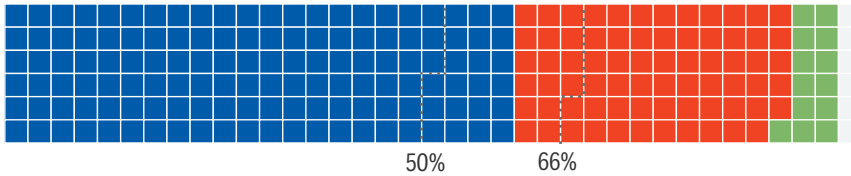
13

After the split within PAS, seven of their seats moved to PH. Three of these are in Selangor.



## SEATS IN PARLIAMENT

2018



If each seat were to be represented by a square, it would look like this.

Barisan Nasional (BN)

132 seats

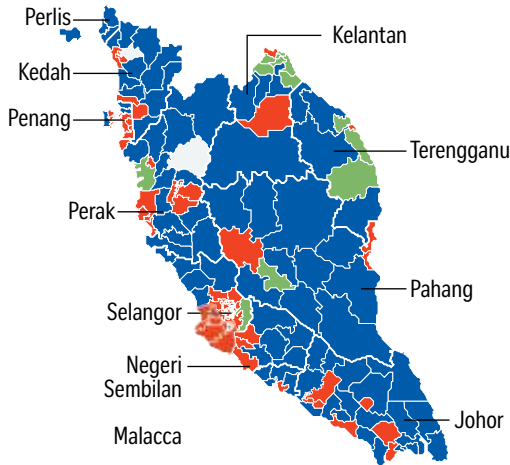
Pakatan Harapan (PH)

71 seats

PAS

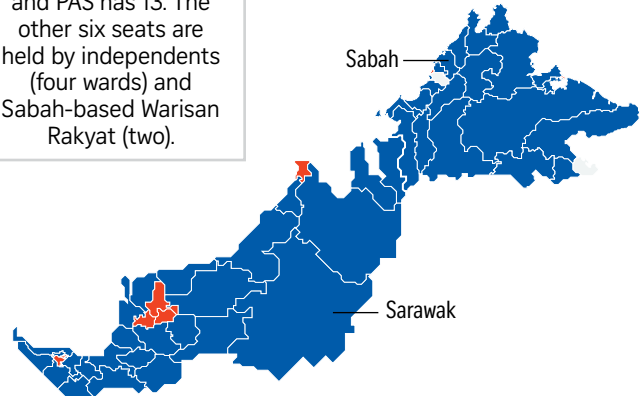
13 seats

The other six seats are held by independents (four wards) and Sabah-based Warisan Rakyat (two).



14

This is the current state of play. BN holds 132 seats, PH has 71 and PAS has 13. The other six seats are held by independents (four wards) and Sabah-based Warisan Rakyat (two).



15

What about the state elections? BN is also hoping to regain some of the states it lost in the last two elections. There are 12 states with 505 seats up for grabs. Sarawak, the 13th state, held its elections in May 2016.

18

However, PH now has only a razor-thin majority in Selangor due to PAS parting ways from the former coalition.

19

The state of Kelantan has been governed by PAS since the 1990 elections.

16

BN currently governs 10 of 13 states.

17

Penang and Selangor have been run by the DAP and PKR, now part of the PH coalition, since the 2008 elections.

20

But the PH alliance, though weakened by PAS leaning towards BN, still hopes to spring surprises in the BN states of Johor and Kedah while retaining Selangor.

## Read more online:

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**PAS has a promising future even if it is thrashed at polls**

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**Francis E. Hutchinson**



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ILLUSTRATION: NOEL ROSALES

**NOTE:** \*PKR - Parti Keadilan Rakyat, DAP - Democratic Action Party, PAS - Parti Islam SeMalaysia, Amanah - Parti Amanah Negara, PPBM - Parti Pribumi Bersatu Malaysia

**SOURCE:** [parlimen.gov.my](http://parlimen.gov.my), [dapmalaysia.org](http://dapmalaysia.org), [pas.org](http://pas.org), [penang.gov.my](http://penang.gov.my), [dewan.selangor.com.my](http://dewan.selangor.com.my), [kelantan.gov.my](http://kelantan.gov.my), [thestar.com.my](http://thestar.com.my), [dun.terengganu.gov.my](http://dun.terengganu.gov.my), [perlis.gov.my](http://perlis.gov.my), [pahang.gov.my](http://pahang.gov.my), [resultpru13.spr.gov.my](http://resultpru13.spr.gov.my), ISEAS-Yusof Ishak Institute, Malaysia Studies Programme

**Tommy Koh**  
For The Straits Times



# Why Asean is good for the US

## The regional grouping matters both on the economic and political fronts

**A**sean is important to the US for three reasons: geo-strategic, economic and political.

I will focus first on the geo-strategic. The United States is a superpower. As a superpower, it has interests all over the world, including South-east Asia.

What is the geo-strategic significance of South-east Asia to the United States?

The 10 countries of this region have a combined population of 630 million, which is twice the size of the US population. The region is well endowed with natural resources. It is the world's seventh largest economy with a GDP of US\$2.4 trillion (\$3.2 trillion) and is on a trajectory to become the fourth largest by 2050.

The world's most important sealand, the Straits of Malacca and Singapore, passes through the waters of the region. The Lombok Strait, the Sunda Strait and the South China Sea are also important to international shipping and maritime trade.

Of the 10 member states of Asean, two, namely the Philippines and Thailand, are treaty allies of the US. They are designated as "major non-Nato allies".

The US also has close defence ties with Malaysia and Singapore. The US Defence Department carries out joint military exercises with all the Asean countries. In 2015, the US and Asean raised their relationship to a "Strategic Partnership".

## ECONOMIC IMPORTANCE

The second importance of Asean to the US is economic. The US has invested

more in Asean – US\$306.5 billion – than in China, India, Japan and South Korea, combined.

Asean investment in the US, US\$33 billion, is modest. It is, however, larger than China's investment in the United States.

Asean is the fourth largest trading partner of the US. In 2016, the two-way trade stood at US\$262.9 billion. The US has a surplus in trade in services. Asean has a surplus in trade in goods.

It has been estimated that US exports to Asean, of over US\$100 billion, support 550,000 jobs for American workers.

Many US companies, including many of the leading US multinational corporations, have a presence in Asean. Singapore alone hosts 4,200 US companies.

Even more business opportunities will emerge for American companies, given the region's good growth prospects and its growing middle class.

I want to acknowledge that some US

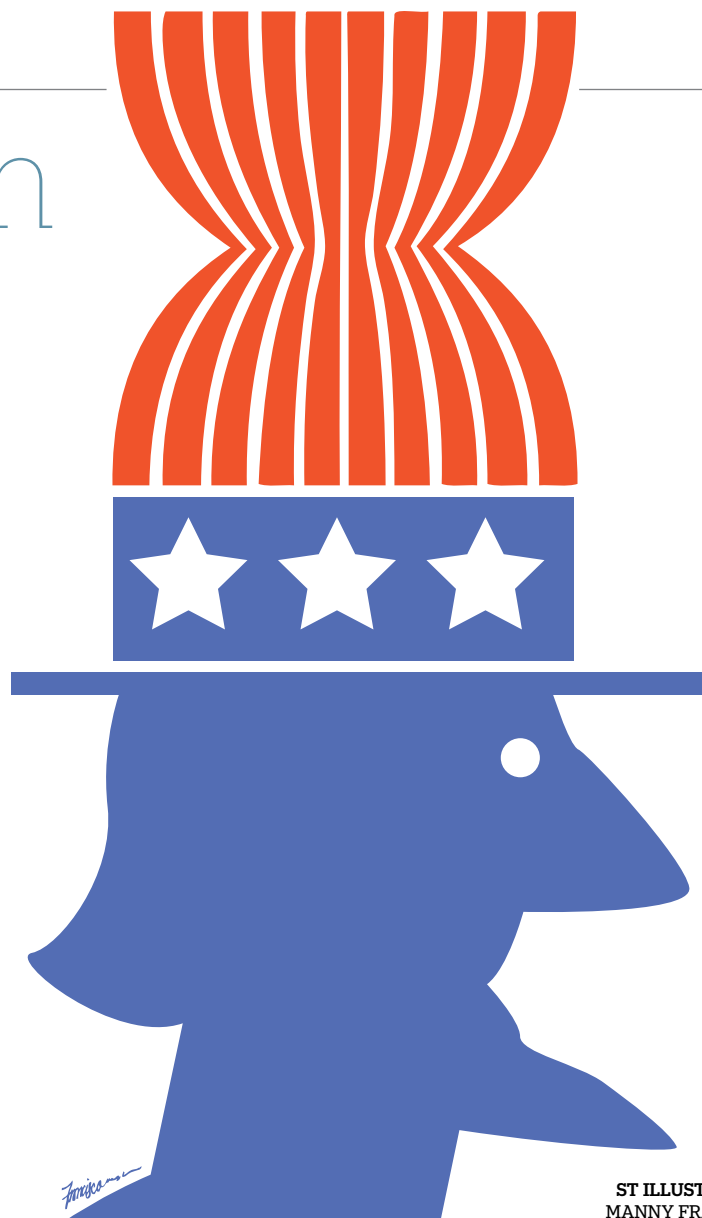
companies are sceptical about Asean economic integration and the Asean Economic Community.

Their experience on the ground shows that our journey is incomplete and there remains non-tariff barriers to doing business across borders. They feel that Asean has not yet become a single market.

At the same time, I would point out that Asean remains committed to free trade, economic integration and open economies. Asean is growing at about 5 per cent per annum. Its embrace of the digital economy, e-commerce and e-payment will boost our growth and create many new opportunities for US business.

Tourism is another booming sector. In 2015, 3.5 million Americans visited Asean. A smaller number of Asean citizens, 780,000, visited the US in the same year.

It has been estimated that Asean visitors add US\$5 billion to the US economy. The 55,000 Asean students



ST ILLUSTRATION:  
MANNY FRANCISCO

studying in the US add another US\$1.7 billion to the US economy.

Finally, the US has a Free Trade Agreement with Singapore, a trade agreement with Vietnam, and Trade and Investment Framework Agreements with Asean and nine of the Asean member states. The Trump administration is happy with the US-Singapore Free Trade Agreement as the US enjoys a trade surplus with Singapore.

## POLITICAL IMPORTANCE

The third importance of Asean to the United States is political.

Asean has kept the peace in South-east Asia for 51 years. It has created and chairs several regional institutions, which include the United States, such as the Asean Regional Forum, the East Asia Summit and the Asean Defence Ministers' Meeting Plus.

These forums are open and inclusive and help to improve mutual understanding and reduce suspicion and mistrust. In this way, Asean helps to maintain peace, stability and prosperity in the Asia-Pacific.

The US and Asean cooperate to deal with several non-traditional security challenges, such as humanitarian

emergencies, the trafficking of drugs and humans, counter-terrorism, cyber security, non-proliferation, transnational crime, climate change, pandemic disease, and so on.

The US and Asean share some beliefs, such as, the rule of law, the peaceful settlement of disputes, and respect for international law, including the United Nations Convention on the Law of the Sea.

As a mark of respect for Asean and an acknowledgement of Asean's importance to the US, in 2016, then President Barack Obama invited the 10 leaders of Asean and the Asean Secretary-General, to a special US-Asean Leaders' Summit. The venue was Sunnylands, California, the same venue where President Obama had hosted Chinese President Xi Jinping in 2013.

The US-Asean Summit adopted the Sunnylands Declaration, which is a very significant document. It contains some consequential language such as, "US respect and support for Asean centrality and Asean-led mechanisms in the evolving architecture of the Asia-Pacific" and "the shared commitment to peaceful resolution of disputes, including full respect for legal and diplomatic processes in accordance with the universally recognised principles

of international law and the 1982 UN Convention on the Law of the Sea".

## LOOKING AHEAD

I am pleased that the Trump administration appears to have continued with the previous administration's pro-Asean policy. In April last year, US Vice-President Mike Pence visited the Asean Secretariat in Jakarta, becoming the most senior US leader to do so.

We appreciated his visit to our region, made when the administration was only three months old.

During his first year in office, President Donald Trump had invited four Asean leaders to visit him at the White House. The President attended the commemorative US-Asean Leaders' Summit, in Manila, last year.

He has accepted Prime Minister Lee Hsien Loong's invitation to visit Singapore this year, possibly for the Asean-US Summit. We look forward to welcoming him to Singapore.

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The writer is Ambassador-at-Large in Singapore's Ministry of Foreign Affairs and a professor of law at the National University of Singapore. □

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**Shefali Rekhi**

Editor, ST Asia Report



# The buzz in India's East as links with Asean take root

**State economies in India's east and other economies around the region reach out for foreign investments as desires to develop and catch up with peers abound.**

**D**raped in traditional simple attire, hair in a knot, sans make-up, the Chief Minister of the Indian state of West Bengal Mamata Banerjee championed opportunities in her state.

“(West) Bengal is a gateway to Asia and South-east Asia. From Bengal, you can nurture Bhutan, Nepal, Bangladesh, north-east India and East India,” she told an audience of 400 people attending the Horasis Asia meet in the state capital of Kolkata in late November.

Investors can tap the markets in Thailand, Malaysia, Myanmar and Singapore too, she noted, saying: “Even China and Japan are not so far (from West Bengal).”

Ms Banerjee’s address echoed similar pitches for investments being made frequently by India’s eastern states, and neighbouring regional economies, as they seek to jump on the development bandwagon and make the most of likely opportunities as connectivity between South and South-east Asia begins to take shape.

West Bengal will invest US\$15 billion (S\$20 billion) over the next five years to improve infrastructure, which would go towards construction of roads, flyovers, ports, power and several other projects, Ms Banerjee said, promising it would soon be the No. 1 state in the country in terms of ease of doing business.

Chief Minister Sarbananda Sonowal of Assam state also canvassed for investments at the event.

Joining them in the pitch to dozens of potential foreign investors was



West Bengal Chief Minister Mamata Banerjee addressing the Horasis Asia conference in Kolkata. PHOTO: HORASIS

Bangladesh’s Commerce Minister Tofail Ahmed, who said 100 special economic zones (SEZs) would be set up in his country, and each investing country could get its own SEZ.

Foreign investors would be at liberty to withdraw their investments - with profit - any time, he assured.

Chief Minister Zaw Myint Maung of the Mandalay region in Myanmar told investors that the national economy was rebounding with growth expected to be around 7 per cent in 2018.



STRAITS TIMES GRAPHICS

“I would like to advise businessmen, the earlier, the better for doing business in Mandalay,” he told delegates. So did representatives from Vietnam, Laos, Thailand and Cambodia, taking turns to highlight the changes in their economies and opportunities that are unfolding.

It helped that policymakers, observers, businessmen and entrepreneurs from the United States, Europe, China, Japan and India were represented at the forum.

The eagerness to make the pitches and showcase their economies showed that the old thinking about living within boundaries is making way for new desires for inter-country trade, although road maps for economic transformation in many of these economies are still being drawn.

Asia represents a huge potential global engine, with China and India leading the way, noted Horasis chairman Frank-Jurgen Richter.

“All of Asia’s nations are looking to create a peaceful world inclined to better business links. In today’s world, this aim is important as food, fuels and raw materials, part-finished and finished goods must flow freely to raise living standards for all,” he said.

While much of the emphasis on building linkages between South Asia and South-east Asia has been on improving connectivity via roads, railways and maritime transportation, the building

of flight connections and establishing digital links are now also on the agenda.

At the Asean-India meet in Singapore in January, Mr Sonowal highlighted plans for direct flights from Guwahati, the capital of Assam, to Asean capitals. And a match-making session between start-ups and investors from India and Asean countries was a highlight of the three-day event.

The Asean-South Asia region offers access to almost one-third of the world's population and businesses can start looking at the expanded region, instead of simply focusing on the South-east Asian economies, Ms Anna Marrs, CEO of Standard Chartered Bank's Asean and South Asia region, wrote in *The Straits Times* in February.

"According to the World Bank, about one million people enter South Asia's workforce every month. By 2030, Asean and South Asia will be home to more than one-fourth of the world's working adults," she said.

And while trade between South Asia and South-east Asia has grown from US\$4 billion in 1990 to US\$90 billion in 2013, according to the Asian



Development Bank (ADB), the growth of trade as a share of the total trade in each other's economies has been modest, suggesting "there's room for further growth", Ms Marrs remarked.

The ADB, in its study released in 2015, identified foreign direct investment and building connectivity as key factors that could galvanise that process. The total investment costs for projects to enhance cross-regional connectivity was estimated at US\$73 billion in the report.

India took a step in that direction this month. Highways and Shipping Minister Nitin Gadkari announced that the government would start work on a highway to connect the north-eastern state of Meghalaya to Myanmar, as part of the India-Myanmar-Thailand pact, from March at a cost of Rs50 billion (\$1 billion).

The aim is to get it operational by December 2019, Mr Gadkari told an audience in New Delhi, according to a report in *LiveMint.com*.

The Indian government is also working on water connectivity with Myanmar via Bangladesh over the Brahmaputra river, he said.

In July last year, his ministry approved a budget for the upgrading of the Imphal-Moreh section of a highway in the north-eastern state of Manipur, that will eventually lead to Myanmar, Thailand, Indonesia and Malaysia.

Still, critics complain about the long delays many of such projects have faced and question whether it will be any different this time around.

There are also concerns that the festering discord between Myanmar and Bangladesh over the Rohingya issue, despite agreements on repatriation in place, could impact the realisation of these projects.

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The writer is Asia News Network Editor, *The Straits Times*. □

## Assam: India's gateway to Asean with sand to sell

**T**he charismatic chief minister of the north-eastern Indian state of Assam has been on a road show for the past few months to attract foreign investors.

From Kolkata in the east, to Bangalore down south to Mumbai in the west and capital New Delhi, close to northern India, Mr Sarbananda Sonowal has been making one pitch after another to attract investors to his home state, which India wants to see as the country's gateway to Asean.

It was this vision that brought the 55-year-old chief minister to Singapore in January this year, when he and his officials addressed over 4,000 people at the Asean India Pravasi Bhartiya Divas, a gathering of the Indian diaspora.

Plans are afoot for direct flights between Guwahati and Asean capitals, and a new terminal building is to be built at Guwahati airport for flights that could cover the distance within two hours. The state borders Myanmar and many of the Asean capitals are within 2,000km of the capital city.

Agriculture and food processing, port townships, petroleum and natural gas, hospitality and civil aviation are some of the focus sectors that will drive the rapid industrialisation of Assam state, which is about 10 times the size of Singapore.



Assam chief minister Sarbananda Sonowal (L) welcomes Indian Prime Minister Narendra Modi (2-R), at the inaugural Advantage Assam Global Investors' Summit 2018 in Guwahati, India. PHOTO: EPA

Addressing the audience in Singapore, Mr Ravi Capoor, Additional Secretary for Industry and Commerce, said the state is abundant in water because of the Brahmaputra river flowing through the state. And as a consequence of the weather phenomenon, it is also abundant in sand.

The river is 1km at its narrowest and extends to 20km at its widest, Mr Capoor said.

Flooding is a problem and when the waters recede, there are huge tracks of sand.

"We are ready to supply sand to the entire world. Singapore is one country

I am sure would love to buy sand from India. And water," he said. There were questions though on how this would be supplied to the Republic.

Mr Sonowal said his goal is to increase connectivity and communication networks with Asean countries to ensure that such opportunities can be availed.

He told *The Straits Times* Asia Report that he is looking for tie-ups in the areas of skills development, water resources, biotechnology, tourism and other sectors, in the hope that these will "inspire the younger generation to earn their livelihood with dignity and prestige".

So will Assam be like Andhra Pradesh for investors from Singapore in the coming years?

The state of Andhra Pradesh has attracted much attention from Singapore investors, with some helping to build the new state capital of Amaravati.

Assam, meanwhile, has signed a memorandum of understanding with Singapore to build a skills centre for its youth.

"We want to be at the top," Mr Sonowal said.

"This is our prime target. We are making a beginning and with the support of everybody, we will excel," he said.

- Shefali Rekhi

**Peter Chang**  
For The Straits Times



# China's Confucian push

**History suggests China is unlikely to Confucianise the world. Here's why:**

**A**s the American Century makes way for a China-led Asian Century, the likely advent of a new global order is raising anticipation as well as apprehension.

Curiously but not surprisingly, the role of Confucianism has attracted the attention of many. Once condemned as feudal by China's communist rulers, this ancient tradition is experiencing a renaissance of sorts, engineered by Chinese President Xi Jinping no less.

Already, some cynics see in this rejuvenation an usurpation of Confucian idealism by Marxist pragmatism. In the longer term, however, most foresee the eventual return of China to its ideological roots. And when a rising, and increasingly assertive, People's Republic of China becomes re-Confucianised, will this also portend a Confucianisation of the world?

A look back into the past exploits of two maritime heroes could provide us with some insights into this unfolding future. In 1405, Zheng He began traversing the Nanyang with multiple stopovers in Malacca, eventually reaching the Horn of Africa. Nearly a century later in 1498, Vasco da Gama navigated the Cape of Hope, docked in Malacca, before dropping anchor in Macau.

These epoch-making voyages may be seen as the historical epiphanies of the Sinic-Confucian and Euro-Christian global aspirations respectively. Indeed, Christianity calls on its members to spread the Gospel to all of mankind. The sanguine Confucians are similar in the breadth of their worldview – that of the human potential to attain civility.

The Portuguese and other European

explorations subsequently covered the four seas, colonising and Christianising the New World. While controversial, it propelled Christianity into a truly global religion, as church spires now pierce the skies of every continent.

The Ming seaborne expeditions, by contrast, were short-lived and geographically confined to maritime Asia; imperial power was imposed indirectly via the tributary system. Most markedly, there was no Confucianisation of the minor kingdoms. Instead some credited Zheng He, a Hui Muslim, for being a catalyst in the Islamisation of the Malay archipelago.

Ergo, after over two millennia, this ancient Chinese philosophy remains a regional (north-east Asia) phenomenon and parochial (Han-centric) tradition.

Why is it that Confucianism – a philosophy as groundbreaking as any that came out of the Axial Age – did not

display the same zeal as Christianity to convert the world?

The answer lies in the varied ways their respective moral visions were pursued.

To be a Christian, one must abide by two norms: the natural law, revealed to all, plus another set of divine law revealed to Abraham and his descendants.

Christians believe the Bible is the final depository of these decrees. Furthermore, they see it as their mission to spread the message of salvation, seeing it as a sacred duty of being God's "chosen people". This sense of exceptionalism has driven the West's efforts to Christianise the world. It also underpins America's sense of "manifest destiny" and its vision of being that "shining city on the hill" tasked with providing global moral-political leadership.



ST ILLUSTRATION: MIEL



In Confucianism, to become civil requires one to live by the moral laws already revealed in nature.

There is no equivalent notion of Heaven communicating exclusively to specific peoples. Every person, and by extension every human tradition, has access to the principles needed to actualise a cultured existence.

The multiple-religiosities practised by the Chinese epitomises this inclusiveness, whereby a person could claim to be a Confucianist, a Taoist and Buddhist, all at once. This syncretic co-existence underscores the Confucian belief in there being “many ways” to realise the ideal.

Put differently, Confucianism disavows any monopoly of truth. Moral pre-eminence is not predestined but merit-based. Even Confucianism itself is not spared.

The history of modern China is instructive: stricken by internal decay, Confucianism, the erstwhile moral foundation of the Sinic civilisation, was found wanting and cast unceremoniously aside from the mainland, which turned instead to Mao and Marx for guidance.

Fast forward to the present, the China of President Xi.

It is now a political and economic

powerhouse but still searching for better ways to extend its influence and raise its profile. Mr Xi’s signature Belt and Road Initiative is one vehicle to engage its neighbours economically and politically, and its historic Silk Road references dovetail neatly with the romance of Zheng He’s voyages.

**On the soft power front, “socialism with Chinese characteristics” is a hard sell. And here’s where Confucius makes a comeback. Confucianism is truly native and its ancient roots make it another great vehicle – this time for President Xi Jinping’s goal of promoting Chinese civilisation and culture.**

But on the soft power front, “socialism with Chinese characteristics” is a hard sell.

And here’s where Confucius makes a comeback. Confucianism is truly native and its ancient roots make it another great vehicle – this time for Mr Xi’s goal of promoting Chinese civilisation and culture. Money was pumped in to

establish a global network of Confucius Institutes.

It is not without controversy, not least as sceptics doubt if these are bona-fide conduits of Confucianist precepts. Others warn of Trojan horses implanted in foreign universities to propagate illiberal ideologies. Be that as it may, when Confucianism becomes fully rejuvenated, will China seek to “Confucianise” the world?

If history is a reliable guide, the answer is no. And the reason is because there were no mandates to do so.

Certainly, some civilising impulses remain but the sweeping infusion of our emerging new world order with “Confucian characteristics” is unlikely.

In the ethical universe envisioned by the ancient Chinese sage, moral leadership is not the sole prerogative of any, but the duty of many.

A revitalised Confucianism could well play a prominent role, but merely as one among equals, together with other worthy faiths and worldviews to advance the fate of humanity.

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**Nirmal Ghosh**  
US Bureau Chief



# Will the US mount a possible 'bloody nose' strike on N. Korea?

## US officials see Pyongyang's participation in the Winter Olympics as a move to drive a wedge between the US and South Korea.

**C**oncerns are mounting over the possibility of a targeted strike by the United States on North Korea, with analysts warning that Washington will face major dilemmas if it were to order such a "bloody nose" strike.

Miscalculations and flawed assumptions could trigger an all-out war, analysts told *The Straits Times*.

Discussions over the risky move have intensified after Dr Victor Cha, a Georgetown University professor and senior adviser at the Centre for Strategic and International Studies, was abruptly dropped as the White House's pick for US ambassador to Seoul.

Reports said he had counselled against a military strike. In a commentary in *The Washington Post* on Feb 1 – seemingly a few hours after his nomination had been dropped – Dr Cha cautioned against a "bloody nose" military strike on North Korea. And Dr Cha is by no means a moderate on North Korea. It suggests that hawks rule the roost in the Trump administration.

"The administration's interest in striking the North appears to be all too real," Dr Mira Rapp-Hooper, a senior fellow at the Paul Tsai China Centre at Yale Law School and an adjunct senior fellow at the Centre for a New American Security in Washington, wrote in *The Atlantic*.

But such a strike on North Korea would trigger "cataclysm", she warned.

That the US has the resources and ability to mount a targeted strike in short order is beyond doubt. But a strike

would trigger an unpredictable chain of events.

"The US can control what it does, but not what the North sees and believes," warned Dr Robert Jervis, professor of international affairs at Columbia University, in a piece published on the website 38 North.

Dr Jervis estimated that the US Defence Department officials he had spoken to put the probability of a military strike higher than he had assumed.

But he was "not sure how carefully people had thought things through", he told *The Straits Times*.

One of the biggest dilemmas the US faces in striking, say, a North Korean missile facility, would be whether to evacuate American families from Seoul and other places in South Korea within range of retaliation from North Korea.

One of the biggest dilemmas the US faces in striking, say, a North Korean missile facility, would be whether to evacuate American families from Seoul and other places in South Korea within range of retaliation from North Korea.

Starting such an evacuation would send a powerful signal to the North that the US was preparing to strike. But it would also take away the element of surprise.

On any given day, there are 230,000 Americans in South Korea and 90,000 or so in Japan, Dr Cha wrote in *The Washington Post* commentary.

Projections of an all-out war put the potential death toll in the hundreds of thousands in just a few days.

President Donald Trump's National Security Adviser, General H.R. McMaster, has emerged as one of the administration's most hawkish voices on North Korea.

Mr Matt Pottinger, Mr Trump's top adviser for Asia on the National Security

Council, is widely seen as backing Gen McMaster.

Gen McMaster has since last summer been building a case for the use of preventive force against North Korea, Dr Rapp-Hooper wrote.

Administration hawks believe North Korean leader Kim Jong Un cannot be deterred.

They see North Korea's participation in the Winter Olympics as a move to drive a wedge between the US and South Korea. They see Mr Kim's long-term plan as waging conventional war – under the threat of his own nuclear umbrella – to drive US forces off the Korean peninsula, and they fear he will proliferate nuclear weapons technology.

"Nuclear deterrence and US military superiority, in other words, would not be enough to halt Kim's mission of peninsular conquest," Dr Rapp-Hooper wrote in *The Atlantic*.

Dr Cynthia Watson, professor of strategy at The National War College, told *The Straits Times* in an e-mail interview: "The administration believes it must convince Pyongyang that it will act if North Korea does not move to reduce its nuclear threat."

"I believe President Trump and his team genuinely believe they must alter the current trajectory the DPRK (Democratic People's Republic of Korea) nuclear programme is on," she wrote. She stressed that she was expressing her personal opinion.

But she added: "I don't think the military is anxious to launch a strike as they do know well the implications. These are sane, rational professionals who are weighing the relative dangers differently than many people discussing the Korea problem."

As the US had discovered in Vietnam, the "willingness to suffer is a source of power", Dr Jervis warned in his piece published on 38 North.

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## Pyongyang's nuclear might

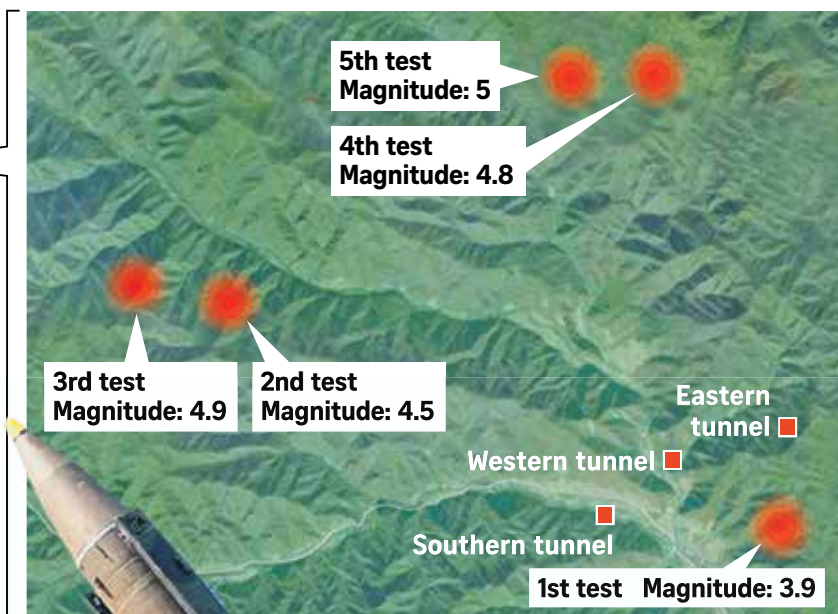
Trump's belligerence on North Korea is raising anxieties that miscalculations and flawed assumptions could trigger an all-out war. Here is a look at the growing nuclear threat posed by North Korea.

**North Korea's sixth nuclear test in September was its most powerful yet**



### PREVIOUS TESTS

- The first and second nuclear tests were conducted on Oct 9, 2006 and May 25, 2009 respectively during Kim Jong Il's reign (1994–2011).
- The third nuclear test was conducted on Feb 12, 2013 under Kim Jong Un's leadership.



## NUCLEAR BOMBS: ATOMIC V HYDROGEN

### What is it?

#### ATOMIC BOMB (A-BOMB)

- It is a fission bomb which splits uranium and/or plutonium into smaller atoms, triggering a nuclear chain reaction that unleashes massive amounts of destructive energy.

#### HYDROGEN BOMB (H-BOMB)

- Also known as thermonuclear bomb, it uses the same fission reaction that powers an A-bomb to release enormous heat and pressure which cause hydrogen atoms within the H-bomb to fuse.
- This process sets off a fusion reaction similar to how the sun works.

### Which is more powerful?

- The two A-bombs – "Little Boy" and "Fat Man" – dropped by the US in Japan during World War II produced blasts equivalent to 15 kilotons and 21 kilotons respectively.

- The H-bomb packs more punch than the A-bomb.
- The Soviet Union's Tsar Bomba H-bomb was the largest nuclear bomb detonated in history.
- In its test blast in October 1961, the device generated 50 megatons, or 50,000 kilotons, of energy.
- It was more than 3,000 times more powerful than "Little Boy".
- H-bomb has never been used in combat.

North Korea claimed it has successfully tested a hydrogen bomb that can be loaded onto an intercontinental ballistic missile. On the right is the Hwasong-14 intercontinental ballistic missile in an undated photo released by North Korea.



Sources: THE KOREA TIMES, REUTERS PHOTO: REUTERS STRAITS TIMES GRAPHICS





# Lingering anxiety as Davos meet wraps up

## Growing income inequalities and declining public trust among key concerns

**T**he heaviest snowfall to hit Davos in decades saw heaps of snow piling up high all around this scenic Swiss Alpine resort.

It made for breathtaking sights for the thousands of business and political leaders attending the World Economic Forum (WEF) meeting over the past week. The experienced skiers among them would have relished the prospect of hitting the slopes packed with fresh powder.

Yet, an excess of snowfall also raises the risk of a sudden avalanche, when snow can come crashing down without warning.

This chilling metaphor was heard several times in discussions here, signalling an underlying anxiety among participants about what lies ahead.

In the past, after all, few had foreseen political shockers such as Brexit or looming financial crises. So while the news that broke last week of global stock markets hitting new highs and economic growth forecasts being raised was cheered, this was tinged with worry about the economic, environmental, social and political fragilities that still need to be minded.

At the heart of these concerns are growing income inequalities and declining trust among the people in political systems and leaders.

A much-talked-about Oxfam study

released just as participants were arriving in Davos on Jan 22 showed that 82 per cent of the wealth generated last year went to the richest 1 per cent of the global population while the poorest half saw no increase at all.

This year's Edelman Trust Barometer Index, a dipstick into levels of trust in societies, released that same month, also showed steep falls in trust in many countries, especially in the United States, which saw a 37-point drop in trust across all institutions.

Lamentably, the study also found that the media is now ranked as the least trusted institution globally, distrusted in 22 of the 28 countries surveyed. Nearly seven in 10 respondents among the general public say they are concerned about fake news being used as a weapon, and 59 per cent say it is getting harder to tell if a news item is fake or is produced by a respected media organisation.

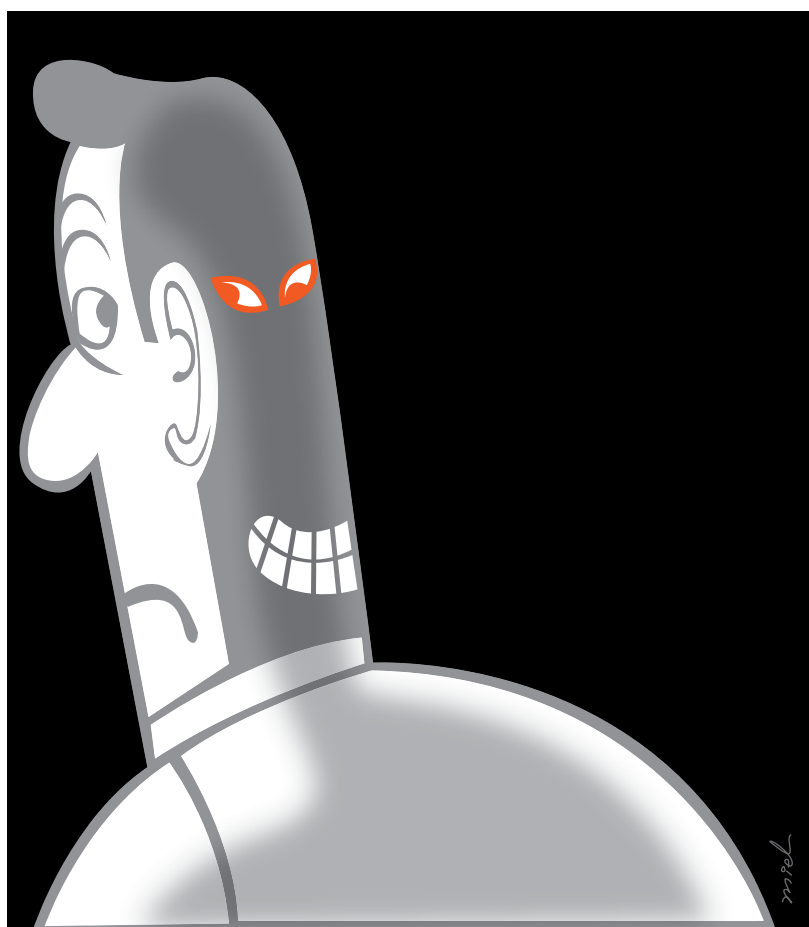
This sharp drop stems largely from a decline in trust in media platforms, notably search engines and social media. Amid the proliferation of fake news and false information, trust in journalism has rebounded and is up five percentage points. Credible voices

showing expertise have also gained trust, with journalists up 12 points, CEOs up 7 points and technical experts and analysts also seeing a rise in their trust numbers. In contrast, confidence in "people like us" as a source of reliable information has fallen to an all-time low of 54 per cent.

Noting that this is both good and bad news, Mr Richard Edelman, president and CEO of Edelman, told a gathering of editors attending the International Media Council session, as part of the WEF meeting: "There is both a challenge, and an opportunity, for mainstream media organisations here to help establish levels of trust in society."

This is significant, as the lack of faith in the media feeds into the public's inability to identify the truth (59 per cent), trust government leaders (56 per cent) and trust business (42 per cent), the Edelman survey had concluded.

Making this point in an interview with The Straits Times at the close of the week-long meeting, Minister in the Prime Minister's Office Chan Chun Sing argued that trust has taken a hit because some governments had failed to deliver on the promise of better lives through



ST ILLUSTRATION: MIEL

globalisation and free trade. The spread of fake news on the Internet has also left voters wondering who or what information they could trust.

Both of these have undermined trust, he said, as workers who feel left behind wonder if it is their leaders or the media who are oblivious to the economic and social problems they face, or deliberately downplaying their plight.

Either way, the political implications are serious, as a report by Swiss bank Credit Suisse released here on Jan 23, titled *The Future Of Politics*, revealed. In it, former British prime minister John Major notes how a “disillusioned, disinterested, preoccupied” electorate is “shrugging its shoulders and turning away from politics”.

“In such a climate, democracy faces a threat from the rise of nationalism. This is not theoretical: In many countries it is a reality. In others, a clear and present danger.

“My worry is that democracy is in retreat, stifled by its own virtues. Across Europe, nationalism has gained more than a foothold. It begins with a populism that masquerades as patriotism, but morphs into something far less attractive.”

Sharing this rather bleak view, Harvard professor Larry Summers wrote in the *Financial Times*: “In countries as diverse as the US, UK, Turkey, Russia, Israel and China, it appears that the governmental platform that commands the most popular support is rooted in nativism, nationalism and negativism. Populist nationalism eventually produces bad economic results, leading to more pressures for anti-establishment leadership and for extreme policies. It is far from obvious what re-equilibrates the system.”

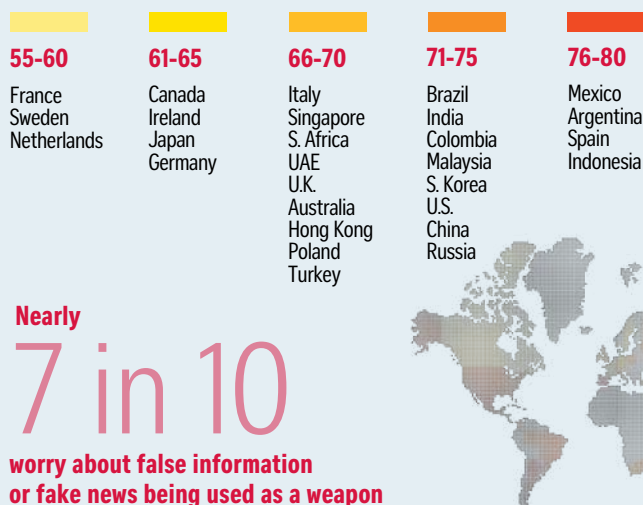
Little wonder then that this drift to populism and nationalism was a cause of much concern here among Davos participants, longstanding cheerleaders for globalisation, free trade, open borders and social inclusion. Many speakers took up the theme and called for action to address the underlying causes.

The charge was led by the youthful French President Emmanuel Macron, who said it was time to “push back against nationalism and nativism”. Delivering an impassioned, hour-long speech, from notes and without teleprompters, he called for a new global compact to address the forces that led to rising inequality and populism, noting his own battles against these in his election campaign last year.

“We have a situation where people are being told, on social and financial

## World worried about fake news as a weapon

Percent who worry about false information or fake news being used as a weapon



Source: 2018 EDELMAN TRUST BAROMETER STRAITS TIMES GRAPHIC

issues, that the answer is to do less, to cut our taxes, there is no limit, it's a race to the bottom.

“If we aren't able to agree on a standard of international cooperation, we will never convince the middle class, the working class, that globalisation is good for them,” he said, calling for sweeping reforms of global tax and trade systems to ensure that globalisation works for the common man.

He also added that leaders had a duty to speak honestly with their voters about the challenges they needed to address, rather than offering them quick, easy, populist pitches, which ultimately undermined trust.

In Singapore, thankfully, trust levels in key institutions, from government to the media, have remained high over the years, going by the Edelman findings. Trust in the media in Singapore, at 52 points, is the sixth highest in the world. Mindful of the importance of upholding this trust, the Government has convened a Select Committee to study how best to address the challenge of fake news.

For, as Mr Chan noted, this intangible aspect of trust along with delivering tangible benefits as promised were both critical in building up the people's belief in the system and their leaders.

“For Singapore, every generation of leadership, regardless of who forms the Government, must firstly be able to deliver a better quality of life and standard of living for the people. People must have the sense that they have the opportunity to realise their dreams, especially for the next generation, their children...

“Then, there is the question of how you can build trust because you are upfront, forthright, honest about the challenges and options that the country has to confront together.

“If we don't manage these two aspects well, then we should not make any presumptions that we will garner the trust of a new generation,” he said.

This critical importance of leaders meaning what they say and saying what they mean was captured best in the closing moments of this year's meeting. While the participants may not think much of the populist America First approach taken by US President Donald Trump, they listened patiently and applauded politely when he wrapped up his speech, which was surprisingly lacking the fire and fury that some had expected.

But they hissed in disapproval when Mr Trump described the media as “nasty, vicious and fake”. The much respected WEF founder and executive chairman Klaus Schwab also raised eyebrows when he remarked that the American President had been “subject to misconceptions and biased representations”, and later called his rather lacklustre speech “inspiring”.

It might have been a passing comment, signifying nothing, but it also made plain how easily trust and credibility can melt away, just like the snow on the ground, as the sun emerged on Jan 27 to glisten on the lovely Swiss Alps, as delegates made their winding way home.

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□



Kirstin Yip



# Celebrating anniversaries, welcoming new beginnings

**This year and the next will mark several special anniversaries in Asia and the rest of the world. Here's an update:**

## Asia 2018

### 40th anniversary of China's opening up

China celebrates the 40th anniversary of reforms and opening up this year, a policy that has shaped its rise as a global power and the world's second largest economy. With more than 700 million people now moved out of poverty, President Xi Jinping has vowed further reforms to lift all rural residents out of poverty by 2020.



### 40th anniversary of China-Japan friendship treaty

Japanese Foreign Minister Taro Kono made a fence-mending trip to Beijing in January to mark the 40th anniversary of ties, but relations remain fraught with mistrust on both sides and differences over ways to deal with North Korea. Still, with Japanese Prime Minister Shinzo Abe and Chinese President Xi Jinping having consolidated their positions, some hope for better ties.



### 25th anniversary of Asean-India ties

India commenced a new chapter in its ties with Asean by hosting all 10 regional leaders in New Delhi on its Republic Day. Both sides have around 30 platforms for cooperation, but observers are waiting to see how soon both sides will conclude negotiations for the Regional Comprehensive Economic Partnership. An Asean-India Air Transport Agreement, if sealed, could also go a long way towards enhancing people flows.

### 10th anniversary of Asean charter

Forty years after it came into being, Asean adopted a charter that came into force in December 2008, transforming the regional grouping into a rules-based organisation. However, its principles of non-interference and sovereignty of countries have led observers to question if the grouping commands any real authority.



### 150th anniversary of Meiji Restoration

This year marks the 150th anniversary of Japan's Meiji Restoration, the political revolution that ended the rule of the Tokugawa shogunate (military government) and, at least nominally, returned the country to direct imperial rule under Emperor Meiji. In a wider context, the Meiji Restoration came to be associated with the subsequent era of major political, economic and social change that brought about the modernisation of the country.



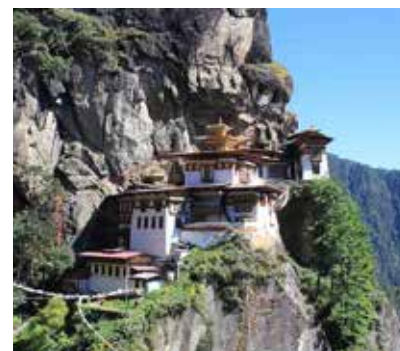
### 10th anniversary of Suharto's death

Indonesia's former president Suharto, who died 10 years ago, rescued the country from the brink of calamity in the mid-60s, reduced poverty and transformed it into an emerging Asian Tiger by the 1990s. Still, his legacy remains disputed with his iron-fist rule still not forgotten.



### 10th anniversary of Bhutan's first election

After a century of absolute royal rule, the Himalayan kingdom of Bhutan became a democracy after the 2008 polls. The election was a step towards democracy, but the constitutional monarchy remains in place.





## World 2018

### 25th anniversary of the European single market

The European Union is facing several challenges now, with 'Brexit', growing euroscepticism and Germany finding it difficult to form a government. Things had been looking up for the EU 25 years ago. The aspiration, when it was created in 1993, was to create a functioning single market, which would stimulate competition and trade, improve efficiency, raise quality and help cut prices. Despite all the challenges, no other EU country, apart from Britain, seems eager to leave.



### 50th anniversary of Apollo 8's orbit of the Moon

50 years ago, Apollo 8 became the first manned spacecraft to orbit the Moon, entering lunar orbit on Christmas Eve. The crew, Frank Borman, Jim Lovell and Bill Anders, became the first humans to orbit another world. They returned to Earth after circling the Moon 10 times, splashing down in the Pacific.



### 50th anniversary of the Treaty on Non-Proliferation of Nuclear Weapons

A total of 191 states have joined this treaty, including the five nuclear-weapon states (United States, Russia, Britain, France and China). Its aim is to prevent the spread of nuclear weapons and weapons technology, promote cooperation in the peaceful uses of nuclear energy, and further the goal of achieving nuclear disarmament.

North Korea consented to the treaty in 1985 but never came into compliance, eventually announcing its withdrawal in 2003, after it detonated nuclear devices which were in violation of the treaty's core obligations. Four UN member states - India, Israel, Pakistan and South Sudan - have never accepted the treaty. The first three are thought to possess nuclear weapons, while South Sudan, which was founded only in 2011, has also not joined.

Critics argue that the treaty cannot stop the proliferation of nuclear weapons or the motivation to acquire them.

### 100 years since US President Woodrow Wilson's 'Fourteen Points' speech

Nine months after the United States entered World War I, then-President Woodrow Wilson appeared in Congress to outline his "Fourteen Points" as a blueprint for post-war peace. It was a short speech, but it had long-lasting impact. The fact that a country so far away from the actual battlefield was setting the conditions for peace foreshadowed the huge role that the US would eventually play on the global stage.

Eight of the points addressed specific territorial issues, while the other six tackled the conduct of international relations: the end to secret treaties, freedom of the seas, reciprocal and free trade, limits on national military weapons and equipment, impartial judgment of "competing colonial claims and, most important, the creation of "a general association of nations" to guarantee the "political independence and territorial integrity of great and small states alike".

This last point later manifested itself in the form of the League of Nations, which was unfortunately disbanded after World War II broke out. However, now, in its place, is the United Nations, which has stood strong for 72 years now.



## Coming up - 2019



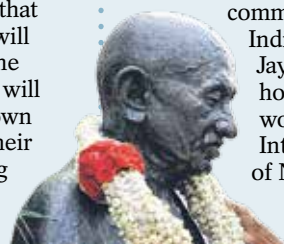
### Singapore's bicentennial commemoration

In 2019, Singapore will commemorate the 200th anniversary of the founding of modern Singapore by Sir Stamford Raffles. The commemoration will be marked by a year-long calendar of events in 2019, ending with an exhibition that highlights milestones and likely will harness technology to enhance the narrative. Different communities will also be tapped to develop their own heritage projects and chronicle their contributions to Singapore during the last hundreds of years.

### 150th birth anniversary of Mahatma Gandhi

Mahatma Gandhi, who led India's freedom struggle against British rule, has been widely acclaimed for his non-violent protests (satyagraha).

His birthday, Oct 2, is commemorated in India as Gandhi Jayanti, a national holiday, and worldwide as the International Day of Nonviolence.



**SOURCES:** THE STRAITS TIMES, BBC, REUTERS, ENCYCLOPAEDIA BRITANNICA, COUNCIL ON FOREIGN RELATIONS, NEW YORK TIMES, UNITED NATIONS, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES.

**PHOTOS:** AFP, INDIAN PRESIDENT HOUSE, GETTY IMAGES, WTS TRAVEL & TOURS, REUTERS, KCNA, NASA, THE WASHINGTON POST, LIM YAOHUI, ALPHONSUS CHERN

**Zakir Hussain**  
Foreign Editor



# Casualties all round when history is a battleground

## Fights over the 'right' version of history may well perpetuate divisions far into the future

**A** national day that's been marked for over 80 years. The launch of an epic movie based on events 700 years ago, with one of the most lavish budgets for a Bollywood film.

A new museum displaying maps, letters and newspaper articles.

All three developments have made headlines in January.

In better times, they would have been occasions for celebration in Australia, India and Japan, respectively.

Yet they have drawn strong condemnation and protests, with repercussions for communal as well as regional harmony.

History and how it is portrayed have long been divisive issues within and between countries.

But in an age when fake news is gaining ground and facts are contested, history - and different takes on it - appears to have resurfaced as a battleground.

And it is not just facts or the significance of events that are called into question.

Those mired in these debates appear to have made them a battleground for contemporary anxieties and grievances over multiculturalism and identity, with competing groups insisting that their side of the story should be the prevailing truth.

Take the heated debate over Australia Day, which has been celebrated on Jan 26 for decades.

The date on which British colonists first set foot on Australian soil in 1788 has also been marked by some as a day of mourning or "invasion day" for Aboriginal Australians and the destruction wrought to their way of life.

Australia Day commemorations have evolved - the National Australia



PHOTOS: REUTERS ST PHOTO ILLUSTRATION: CEL GULAPA

Protesters in India at a rally against Bollywood epic Padmaavat. Critics say it distorts history by portraying a Muslim ruler as the "lover" of a 13th-century Hindu queen, but the film-makers deny this.

Day Council notes that the date has long been a difficult symbol for many Aboriginal people and Torres Strait Islanders, and that it is important to respect their unique status. The council also makes clear that it is a day for all

Australians, and that reconciliation, education and history are important aspects of commemorations.

Yet calls to remove Jan 26 as Australia Day have gained momentum in recent years, with sizeable protests this year.



This, in turn, has spawned an ugly backlash from some who insist colonisation was a “good thing” for indigenous Australians.

In a column lamenting this tide of hostility on both sides, The Australian newspaper’s editor-at-large Paul Kelly wrote of how the country could be the poorer.

“This debate can break one of two ways: robust differences can generate a better understanding of Australia and its national day, or the upshot can be a destructive orgy of self-interested identity politics leading to a diminished and divided country,” he said.

“The volatility of social media, the power of negative politics and the emotional manipulation around ‘invasion day’ constitute sufficient warning that things could go badly wrong. A nation ignorant of its history or simply unable to handle its history is heading for trouble in the present age of populist and cheapjack disruption.

“The issue is whether we have the maturity to hold together conflicting truths and sort things through, or whether we choose ideological indulgence and cynical zero-sum politics,” he added.

“Tearing one truth down in the cause of another is the road to ruin for Australia. Both truths need to be confronted and engaged.”

Historical facts mean different things to different people, especially when they are deeply bound up with ethnic or religious identities.

These identities were behind tensions in India where violent protests marked the opening of the Bollywood epic, *Padmaavat*.

Groups critical of the film took issue with it for distorting history by portraying a Muslim ruler as the “lover” of 13th-century Hindu queen Padmavati of the Rajput warrior clan, but the film-makers deny the accusation.

Protesters burnt tyres and vandalised shops to oppose the film’s release, prompting cinema owners in several states to abandon plans for screenings.

This opposition came even after film censors suggested that the movie, originally titled *Padmavati*, be renamed *Padmaavat* after the 16th-century poem that the film was inspired by. India’s Supreme Court also cleared the way for the film’s release and blocked state governments from imposing bans on it.

Bollywood films that touch upon historical relationships between Hindus, who belong to the country’s majority religion, and Muslim leaders have become controversial in recent years.

A 2015 film by *Padmavati*’s director



A statue of Captain James Cook stands in Sydney’s Hyde Park, as Prime Minister Malcolm Turnbull labelled calls to change colonial-era monuments and the date of Australia Day, in attempts to better reflect the country’s indigenous past, as a ‘Stalinist’ exercise in re-writing history. A cultural debate intensified in January when prominent indigenous commentator Stan Grant dubbed the inscription “Discovered this territory 1770”, on a Sydney statue of 18th century British explorer Captain James Cook, a “damaging myth”. PHOTO: AFP

about the historic romance between a Hindu king and a princess whose mother was Muslim, titled *Bajirao Mastani*, stoked similarly strong protests.

Observers note that inter-religious relationships and romances have existed throughout history, but depictions on the silver screen appear to take on a different sheen.

Religious harmony and coexistence have long been the prevailing norm in India, but such controversies, when amplified and misrepresented for political gain, could generate tensions and divide communities.

Ironically, the protests over *Padmaavat* took place on the day Prime Minister Narendra Modi hosted all 10 Asean leaders for a special summit where he underlined the strong historical ties between both sides - including through religion.

“The Ramayana, the ancient Indian epic, continues to be a valuable shared legacy in Asean and the Indian subcontinent,” he said. “Other major

religions, including Buddhism, also bind us closely. Islam in many parts of South-east Asia has distinctive Indian connections going back several centuries.”

These shared cultural links have created distinctive Hindu, Buddhist and Muslim traditions in South-east Asia that have historically also been tolerant.

Yet there are concerns that such disputes over history, if they spread, could disrupt harmony in this region too.

History has also long divided nations. And in East Asia, it continues to cast a long shadow.

Take Japan, where a government-sponsored exhibition highlighting Japanese sovereignty over islands with disputed claims by China and South Korea opened its doors in Tokyo on Jan 25.

The JapanTimes reported that while the exhibition is likely to draw praise from right-leaning politicians, the opening takes place at a delicate time for Japan’s relations with both its key neighbours. On display are historical documents - maps, letters and newspaper articles, among others - highlighting the official position that the Senkaku or Diaoyu islands, controlled by Japan but claimed by China, and Takeshima or Dokdo, controlled by South Korea but claimed by Japan, are parts of Japanese territory.

The newspaper quoted a 70-year-old Tokyo resident as saying: “It is important to debate these topics from an objective point of view using facts.”

However, these facts have created friction - China has rebuked Japan, and South Korea called for the museum to be closed.

The issue is set to remain fraught for the foreseeable future.

People have a right to stake claims to the histories they want celebrated, or are opposed to.

Those calling for Australia Day to be scrapped, *Padmaavat* to be banned, or the museum to be celebrated may well have strong arguments to back their cases; and it is not for outsiders to determine the merits of these cases.

But they should also realise that their actions could well be met with equally vigorous responses - and result in consequences that could spiral out of control, from tourists rethinking their travel plans to further tensions in a region that could do with less of them.

Instead of solving present-day problems, fights over history may well end up perpetuating divisions well into the future.

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□



# A World First approach to trade

**I**t was an act of economic symbolism, whether intended or not. Exactly one year to the day on which United States President Donald Trump withdrew his country from the Trans-Pacific Partnership (TPP), the remaining 11 countries – including Singapore – agreed to move ahead on a revised version of the pact. They settled their remaining differences over the Comprehensive and Progressive Agreement for the Trans-Pacific Partnership, dubbed the TPP-11, after talks in Tokyo.

The venue was symbolic as well. Japan, a key ally of the United States today, was an early beneficiary of the post-World War II system in which Washington reached out to countries in Asia and elsewhere. The US asked all to join it in a global partnership for free trade over the countervailing model represented by the Soviet Union and its communist allies. It is ironical that Japan should find itself carrying a part of that American mantle in global affairs, following Mr Trump's rejection of America's formative role in the peaceful creation of the Pacific's architecture of prosperity and security.

Yet, this is a happy irony. No nation is powerful and great enough to enjoy lasting copyright on the evolution of history. That is so especially if populism within it obscures its beneficial role outside its borders.

**No nation is powerful and great enough to enjoy lasting copyright on the evolution of history. That is so especially if populism within it obscures its beneficial role outside its borders.**

"America First" is but another name for protectionism. The TPP would have reinforced America's international role, particularly in the Pacific, its global strategic backyard. That role appears to be receding. In its place, the oceanic gap could be reinforced by the Regional Comprehensive Economic Partnership, which would tie Asean into partnership with Australia, China, India, Japan, South Korea and New Zealand. Meanwhile, Beijing's Belt and Road Initiative seeks to recreate relations among Asia, Europe and Africa into a coherent whole that

would remove America from its erstwhile pivotal position in many intercontinental economic affairs.

The TPP-11 countries will have to produce results to uphold the credibility of their accord. That is true of all agreements. For Singapore, the stakes are clear. The TPP-11 will give its companies access to a market of 500 million people with a combined output of US\$10 trillion (S\$13.2 trillion). Domestic political sensitivities distance some other countries from the spirit of the agreement. But its intent is clear: Trade liberalisation is the way to the future, whatever its place of origin or its pace.

If the TPP-11 members can pull off the deal, they will prove that globalisation is unstoppable, even without the United States. That should send out a message to Mr Trump to reconsider his rash decision to pull America out of the TPP. In any case, future American administrations will have an opportunity to ponder where their country fits into a global system which benefits its position in the world. Rejoining the TPP would be an option. □

# Connectivity that rises above politics

**T**he signing of an agreement on Jan 16 for the Johor Baru-Singapore Rapid Transit System (RTS) Link signifies the dramatic possibilities of connectivity created by bilateral cooperation. A mere seven years from now, Singaporeans and Malaysians will be able to hop on an MRT train every eight minutes to get across the border. That would represent an unbelievable shortening of travelling time from what is required now. The agreement on the RTS Link – signed during Malaysian Prime Minister Najib Razak's visit to Singapore for the leaders' retreat with Prime Minister Lee Hsien Loong – would also help to bring the two peoples closer psychologically and boost economic and business connections between them. It would work in tandem with the spirit of the decision to build a high-speed rail line between Kuala Lumpur and Singapore.

Connectivity is not just another word for ease of travel, but symbolises a desire by countries to plan infrastructural developments together so that both sides benefit from them. It is a win-win

game that reveals a high level of trust and a sophisticated ability to iron out differences over the details that crop up inevitably in complex projects. Other projects on the cards that attest to this welcome phase in bilateral ties include schemes to raise the water levels in Johor's Linggiu Reservoir to meet the needs of both countries. One possibility

**Connectivity is not just another word for ease of travel, but symbolises a desire by countries to plan infrastructural developments together so that both sides benefit from them.**

is a joint hydrometric modelling study of the Johor River. Indeed, the opening of the Marina One complex and Duo, a mixed-use development in Ophir-Rochor district, attests to what can be achieved by the ability to work together. The developments are the result of a pact between Singapore and Malaysia in 2010 that reflected a happy turn in ties after two decades of impasse.

If the momentum unleashed by

this trend in bilateral relations is to be sustained, there is a fundamental need to keep the national interest free of the changing demands of domestic politics. The danger is that the agenda of bilateral ties through coordinated development could be held hostage by political parties that adopt a nativist position which accuses joint developments of infringing on national sovereignty or shortchanging the population. The danger is high particularly during election time, which Malaysia is approaching. It is to be hoped that both Malaysians and Singaporeans alike judge what is good for both sides and not be swayed by defeatist zero-sum thinking.

Indeed, people of the two sides of the Causeway should view the concrete upturn in their relations as contributing to the viability of Asean. Economic congruence, manifested in connectivity, lies at the heart of the organisation's rationale. Certainly, countries will seek to preserve their national interest, but regionalism advances that interest by enabling nations to act in a collaborative spirit of shared well-being. □

Nick Bisley



# An even more contested Asia in 2018

**President Donald Trump has played a gentle hand with China in his first year. This will likely change in 2018.**

**I**n 2017 we finally realised that the four decades of geopolitical stability enjoyed by Asian countries and societies had come to an end. In 2018, the major patterns that will come to dominate the region will become increasingly clear.

China and the United States worked out a way to live with one another in the 1970s, and that paved the way for the region's remarkable economic growth. The US actively sought to engage China in the belief that Chinese economic integration with the world would eventually lead to the liberalisation of China's political system.

But as Chinese President Xi Jinping's first five years in office have made clear, that optimism was misplaced. A more affluent China has become more authoritarian, more nationalistic, and increasingly intent on changing the international environment to one it perceives better reflects its interests.

In his first year in office, US President Donald Trump surprisingly played a gentle hand with China. In contrast to his campaign rhetoric, his administration approached China with moderation, focusing principally on establishing a good personal relationship with Mr Xi and trying to garner Chinese help to manage North Korea's nuclear ambitions.

That is likely to change in 2018. As signalled in the National Security

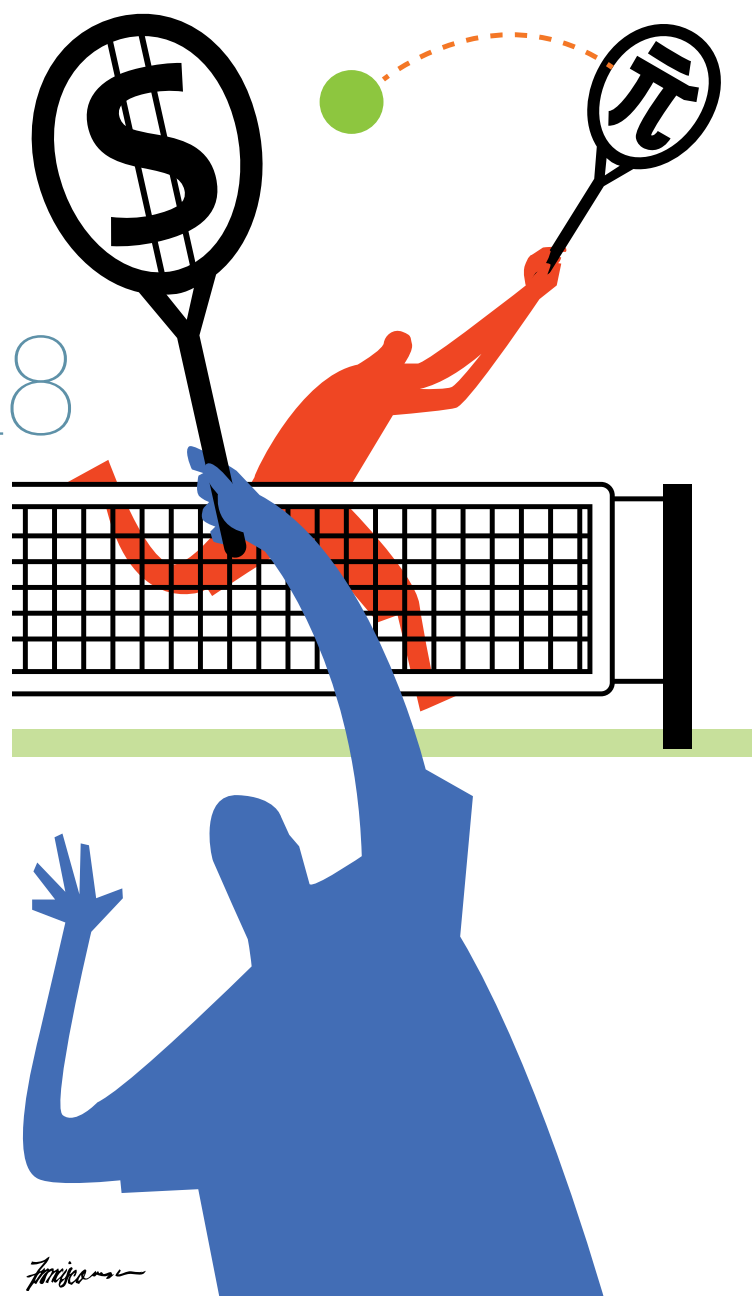
Strategy and the National Defence Strategy, the US sees strategic competition among major powers as the most important feature of the country's security environment.

The active engagement of China by the US, even one tempered by a degree of containment, is coming to an end. China is viewed now as a country that seeks to mould the international environment in its own image. Expect the US to increasingly contest China's power and influence, both in the region and globally.

This is likely to take both military and economic forms, as China is increasingly viewed by the US as a full-spectrum

adversary. This will mean some kind of action on what the US perceives as China's predatory trade policy, as well as a ratcheting up of military steps to push back on Chinese activities, particularly at sea.

China will not respond to the likely increase in American pressure with equanimity. Indeed, one real risk in 2018 is that China will overplay its hand. Its lesson from 2017 is that Mr Trump is a paper tiger. Mr Trump is perceived as being neither able nor willing to match his bombastic words with deeds. China could be emboldened to act provocatively because it miscalculates



ST ILLUSTRATION: MANUEL A FRANCISCO

how the US might respond.

The disputed islands in the East China Sea are probably the most likely place for this to happen. The South China Sea disputes have a slightly lower risk in 2018, as China has largely achieved its objectives in that area, and while the US would prefer that this hadn't occurred, it can live with the consequences for the time being.

While Sino-American competition will increase the regional temperature, it is by no means the only way in which great power rivalry will shape the region.

Last year's Doklam crisis reminds us that the extensive border between China and India is highly contested. Expect India's ambitions and China's confidence to lead to further tensions in the Himalayas.

China was slightly surprised by India's response in Doklam, and will have learnt from that occasion. When, and not if, China next tests India, it will probably involve a higher level of military risk.

In late 2017, senior officials from the US, Japan, India and Australia met, reviving the "quadrilateral initiative" of a decade ago.

The move is publicly framed as efforts to coordinate policies of countries that value an open and free Indo-Pacific. In substance, it is about collaborating to limit Chinese influence and sustain

the liberal order. The "new quad" will take further steps in 2018 and China will respond in ways that will further heighten regional tensions.

This year will also see a further decline in the stock of liberalism in Asia. For a period in the early 2000s, liberalism seemed ascendant. China joined the World Trade Organisation, democracy was on the march in South-east Asia, and economic globalisation was seen as an unalloyed good thing.

No longer. There are no democracies in continental South-east Asia. President Rodrigo Duterte is undermining liberalism in the Philippines, shutting down a vibrant news website, and some fear that the martial law he imposed in the restive south may be expanded across the country in 2018.

Cambodia has stripped away its thin democratic veneer, while Myanmar's democratisation process remains highly limited. Even in Japan and India, liberal ideas are under challenge from thin-skinned nationalists.

In 2018, liberal ideas in Asia will face an increasingly difficult environment, particularly as the geopolitical competition will encourage erstwhile champions of liberal ideas to put interests ahead of values in order to manage that contest.

This year will sadly see the Rohingya

crisis linger on, with insufficient political incentives for international actors to help end the crisis. The alignment of interests between the military and the government in Naypyitaw will mean the region's worst humanitarian crisis in decades will continue.

There is also a good chance that in 2018 we will work out how to live with a nuclear North Korea. The US will ultimately realise that it has no options for managing the crisis - or at least none that carry acceptable costs - and that a nuclear North can be managed. Indeed, a North Korea that feels secure may finally undertake the kind of economic reforms that its populace needs, and which could integrate the isolated country into the regional economy.

Contested Asia has become a geopolitical and geo-economic reality. In 2018 we will see just how sharp the contests will become. The wounded nationalism of China, the erratic and unpredictable US, and the weak political leadership in many regional powers mean the coming year in Asia is going to be even more challenging than 2017.

*The writer is executive director of La Trobe Asia and Professor of International Relations, La Trobe University, in Australia.* □

## World's biggest military spenders

**\$13.6 trillion**

The sum spent on global defence in 2016

**US\$611 billion**

United States spending on defence

**US\$215 billion**

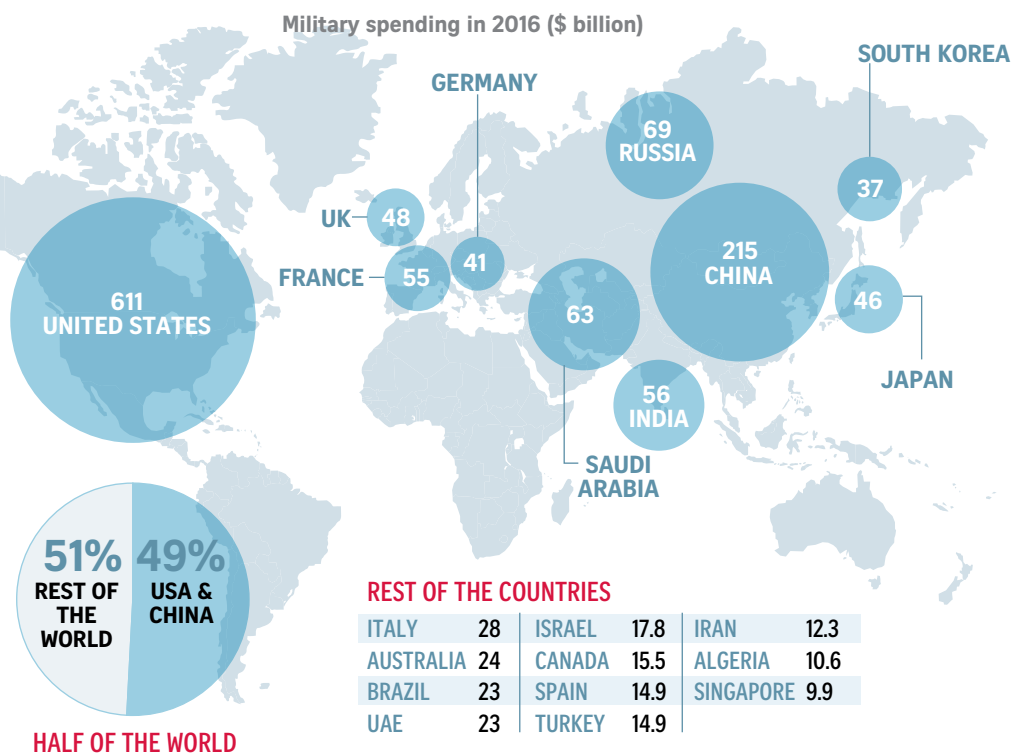
China's military spending which grew 118 per cent

**US\$69 billion**

Russia's spending makes it the third largest military spender

**US\$63 billion**

Saudi Arabia's defence budget makes it the largest spender in the Middle East



Source: STOCKHOLM INTERNATIONAL PEACE RESEARCH INSTITUTE, ANN STRAITS TIMES GRAPHICS





**East Asia is racing ahead to build the fastest and most powerful computers in the world. Here's a report:**

# Rise of Supercomputers

## Japan going big on quantum computing research

**Walter Sim**

Japan Correspondent



**M**otoaki Saito, president of Tokyo supercomputing start-up Pezy Computing, is a man on a mission.

"There is no point coming in second," the 49-year-old whiz said in a magazine interview last year.

"The first country to run next-generation supercomputers will gain unparalleled advantage and reap the benefits," he added, lamenting that Japan could potentially end up being five years behind China on this front if not enough attention is devoted to developing speedier and stronger machines.

But perhaps Saito, who is renowned for his work in downsizing energy-saving supercomputers, has been too ambitious.

Last December, he was charged with defrauding the government of 431 million yen (\$5.2 million) in grants,

while a probe is ongoing into several other companies that are linked to him, which are said to have benefited from more than 10 billion yen in subsidies.

On top of that, Saito's Pezy Computing is now being accused of evading corporate taxes, media reports said in January.

His arrest sent shockwaves across the industry, coming weeks after the global TOP500 league table, which measures theoretical supercomputer processing speeds, ranked his Gyoukou as the fourth fastest in the world.

It had shot up 65 places, from 69th, in the previous chart in June last year. The Gyoukou can, theoretically, run at about 19,140 trillion calculations per second or 19.14 petaflops. He wanted his machine to surpass China's Sunway TaihuLight, the world's fastest at 93 petaflops, within a year.

Saito's ambition symbolises Japan's intense rivalry with China in the race to build faster computing machines with stronger brute force, with Japan having ceded much ground to the likes of Silicon Valley and China's multiple tech hubs from Beijing to Shenzhen, over the past decade.

But the official view has been that speed, the Holy Grail of supercomputing,



The K computer, based in Kobe. The Ministry of Education, Culture, Sports, Science and Technology invested 111.1 billion yen on developing the computer between 2006 and 2012. **FILE PHOTO**

is not the only thing that matters, by any stretch.

A spokesman for the Ministry of Education, Culture, Sports, Science and Technology (Mext), which is behind Japan's supercomputer efforts, said: "I will withhold from commenting about China's supercomputers, the TOP500 measures but one aspect of the performance of supercomputers, with speed as the basis.

"We see as extremely important factors such as power consumption performance, computing capacity, ease of use for the end user and the possibilities for innovative research."

Fujitsu, an industry leader in supercomputer development, is now involved in building a new machine

known as the AI Bridging Cloud Infrastructure (ABCI), which will be ready this year and used for artificial intelligence research.

A Fujitsu spokesman said the ABCI would rank third on the most recent TOP500 rankings, and have the honour of being the fastest machine in Japan.

Yet the Ministry of Economy, Trade and Industry (Meti), as the key driver behind the ABCI project, rejected any attempt to refer to the ABCI as a “supercomputer”.

The machine cost 19.5 billion yen and will be tapped for research in areas such as productivity and healthcare, said Mr Fumito Sasaki of the ministry’s research and development division.

A spokesman for Mext, meanwhile, said that Japan hopes to harness the huge potential of supercomputers to

map the impact of Japan’s societal problems, as well as to seek solutions through means such as deep learning and conducting AI simulations.

Such issues, the spokesman said, could include its ageing demographic, disaster risks, energy use and low productivity.

With such urgent aims in mind, the ministry has spent big on supercomputer research and development. Mext invested 111.1 billion yen on developing the K computer between 2006 and 2012.

The race has also been heating up on the quantum computing front.

Quantum computers differ from conventional supercomputers in that they rely on theoretical particle physics and run on subatomic particles such as electrons in sub-zero temperatures.

Telecoms firm NTT in November unveiled Japan’s first quantum computer prototype, with a potential processing speed of 100 supercomputers but using only 1 kilowatt of power - or about what is required by a large microwave oven.

This is a major breakthrough for Japan in the area, as quantum computers have proven to destabilise easily and are error-prone, thereby limiting their functions.

Mext said Japan will, moving forward, go big on quantum computing research as it “could lead to a society and productivity revolution”.

Still, there are concerns that Japan’s efforts will hit a snag with Saito’s arrest, given his pivotal role in the computing industry.

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## Developing software, talent are key challenges for China

**Chong Koh Ping**

China Correspondent



**D**espite being a relative latecomer in the world of supercomputing, China has become a powerhouse in the field, overtaking the United States in speed and in numbers.

The country now has the world’s fastest and second fastest supercomputers. It also claims 202 of the top 500 fastest machines in the world, outstripping the US with the highest number of supercomputers in the latest TOP500 survey announced last November.

The US, in second place, has 143 systems on the list. Japan was third with 35 supercomputers and Germany fourth, with 20.

“China’s supercomputers developed very rapidly, especially in the past 10 years,” said Dr Gan Lin, 29, the assistant director of China’s National Supercomputing Centre in Wuxi, eastern China.

It is home to SunwayTaihuLight, the world’s fastest supercomputer. Known in Chinese as “Shenwei, Taihu zhi guang” or “Divine power, the light of Taihu Lake”, the machine has the ability to perform at 100 petaflop, or 100 quadrillion operations in one second.

The supercomputer occupies four floors in the building, with its main processors on the first floor, and an electricity system and a water system in each of the two basement floors below it. On the fifth floor, there is a cooling tower. Researchers and visitors are required to don anti-static suits and put on dust covers for their shoes to enter the 1,000sq m computer room on the first floor.

To put the computer’s power in perspective, Dr Gan explained: “Assuming that everyone on earth is given one calculator each, something that the Sunway TaihuLight takes one minute to compute will take all 7.2 billion people 32 years to compute collectively.”

He told The StraitsTimes that China started its supercomputing programme in the early 1980s after the country opened its economy.

Under the 863 programme, a government-sponsored national initiative started in 1986 for China to develop its own cutting-edge technology, the Ministry of Science and Technology had stipulated a two-pronged approach to developing its supercomputers.

One was to import advanced computer chips from abroad to build supercomputers, which was the technology behind Tianhe-2, the world’s second fastest computer.

The second was to build a fully home-grown supercomputer using made-in-China computer chips. This approach



Sunway TaihuLight has the ability to perform at 100 petaflop, or 100 quadrillion operations in one second. Dr Gan Lin (above) said supercomputers can predict the weather and work out structures under the earth’s surface, which is useful for the exploration of petrol and natural gases. ST PHOTO: CHONG KOH PING

became the focus after a ban by the US government on the export of advanced computer chips to China in 2015, over concerns of their use in nuclear tests. That helped spur the birth of Sunway TaihuLight, which cost 1.8 billion yuan (\$\$373 million) and took two years to develop.

“The development of supercomputers was completely in line with our country’s economic development,” said Dr Gan. “In the past 20 years, as China’s economy has taken off in a big way, technology has also advanced rapidly and, along with it, supercomputers.”

The immense resources the government has poured into this area cannot be ignored. Chinese government spending now accounts for about 20 per cent of the world’s total spending in R&D in science and technology, just behind the US and the EU.



Last year, the Chinese government announced detailed plans to become the world leader in artificial intelligence (AI) and machine learning by 2030, which will create an industry worth 1 trillion yuan.

Supercomputers can be used to foretell the future, and reconstruct the past, said Dr Gan.

“In the skies, we could predict the weather. Below the surface of the earth, we could figure out its structures, which is useful for the exploration of petrol and natural gases.”

Today, supercomputers are used in China for forecasting weather. Their immense computing power can also make complex calculations for developing nuclear weapons, going to outer space, designing cars, ships and planes, predicting earthquakes and more.

But for all its supercomputing prowess in terms of hardware, China still lags behind the US and Japan in terms of software applications, with some experts putting the gap at around 10 years.

Dr Cao Jianwen, a researcher at State Key Laboratory of Computer Science at the Chinese Academy of Sciences, told South China Morning Post that speed is not everything when it comes to supercomputers. “The machines are ultimately made to realise programs designed by humans. Owning the fastest supercomputers lays a good foundation for China to catch up, but it could take another decade to see how China can maximise their use.”

Dr Gan, whose main job at the centre is to develop applications for the supercomputer, lists the relative weakness in China’s software development as one of two key challenges for the industry.

However, he said in the 1 1/2 years since Sunway TaihuLight’s launch in 2016, his team of around 100 researchers was able to develop more than 100 applications in 13 fields, including climate change, manufacturing and big data.

Two of the applications even clinched the Gordon Bell Prize in 2016 and 2017, a global honour in applying high-performance computing to science, engineering and data analytics problems.

The other key challenge is talent, said Dr Gan.

The state-run China Daily recently reported the country produces more than 600,000 postgraduates and PhDs each year, as well as millions of college graduates, but not enough are opting to enter the field of supercomputing.

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Machine-human promotional interactions, such as KT Corporation’s interactive signage, appeal to millennials and digital natives.  
PHOTO: KT CORPORATION

## Innovations aplenty in South Korea amid rush to boost AI

**Chang May Choon**

South Korea Correspondent



**A**n interactive sign stands outside a telco shop in the upmarket Gangnam district, calling out to potential customers.

“Handsome oppa in grey... pretty onni in red... look over here!” it beckons two passers-by, using the affectionate Korean terms for brother and sister.

The artificial intelligence-enhanced system, powered by a supercomputer and connected to sensors, cameras, speakers and a robot inside the shop, will then recommend cellphones or offer coupons to its captivated audience.

Such machine-human promotional interactions, could well be the future of telco shops, Mr Lee Jin Seok, a manager at South Korean telco giant, KT Corporation, told The Straits Times.

“It appeals to millennials and digital natives, who prefer to make their own decisions without much interaction with sales people,” he said, using a term to refer to those born in the digital age. The interactive sign has stood outside KT Corporation’s flagship store since Aug 31 last year as part of a trial programme.

Innovations like this are fast taking centre stage as South Korea gears up for the fourth industrial revolution and spends big on developing supercomputers and related technologies, including artificial intelligence (AI), big data and the Internet of Things (IoT).

Although known for its tech

advancements and fast Internet speeds, South Korea is a relative latecomer in the fields of AI and supercomputers. It was only in April 2016 that the Ministry of Information and Communications Technology (ICT) pledged to invest 100 billion won (\$123 million) in projects including the building of the country’s own 30 petaflop supercomputer by 2025.

South Korea has only five supercomputers ranked on the latest TOP500 list of fastest computers in the world, used mainly in its weather agency and by Internet providers. But none are Korean-made and the fastest is only 2.39 petaflop, as compared with China’s top-ranked 93 petaflop system, which is 39 times faster.

A spokesman for the Ministry of ICT told The Straits Times it has been working with two consortiums since May last year to develop and integrate the hardware and software needed for the supercomputer project.

It involves about 300 experts from IT companies, research institutes and universities.

The digital push is backed by President Moon Jae In, who hopes that government support for the fourth industrial revolution, combined with private efforts, can create thousands of new jobs and generate economic benefits worth some 40 trillion won.

The Ministry of ICT said AI is key in leading the fourth industrial revolution and that AI-related investments increased 47 per cent to 163 billion won last year, up from 110 billion won in 2016.

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Narendra Aggarwal

# Transforming businesses, transcending barriers

**Mr Naoki Wakai, President and CEO of NTT Singapore, a wholly owned subsidiary of global telecom giant NTT Communications, discusses his approach to helping businesses sharpen their competitive edge by leveraging ICT and being a cloud powerhouse.**



PHOTO: LIM SIN THAI

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**D**igital transformations are difficult. Navigating the treacherous cyber pathway riddled with ongoing experiments for complete solutions can befuddle even the experienced.

Among companies at the forefront of helping businesses transcend limitations is Japanese conglomerate NTT Communications (NTT Com). Mr Naoki Wakai, President & CEO of NTT Singapore, a wholly owned subsidiary of NTT Com, firmly believes that a continuous focus on innovation is the way forward.

"Digitisation and the rising use of smart devices have established new standards for speed and ease of doing business in all settings, and customers are looking at us to help them re-define their competitive edge and optimise their customer experience efforts through transformative technology

innovations," says Mr Wakai.

"With technology as the underlying common denominator, we could not have existed in a more dynamic time, and for telecommunications carriers like NTT Com, we must adopt a customer-centric mindset and move away from a product-centric approach of simply just reselling," he adds.

As a technology driven company, NTT Com is now creating a single cloud powerhouse to deliver transformative, cloud-based solutions and innovation to clients around the world.

NTT Com, a Fortune 500 global company, enables customers' digital transformation by optimising their ICT environments, allowing them to create significant value for their end users.

This digital transformation occurs through innovation of business processes and the creation of business models enabled by ICT.

The innovation includes enhancement and optimisation of existing processes by using new technologies such as artificial intelligence (AI) and the Internet of Things (IoT).

"We offer one-stop design, deployment and delivery of high quality infrastructure, from submarine

cable systems, networks to data centers, which underpins customers' sustainable business operation," says Mr Wakai.

"These capabilities to offer one-stop infrastructure services are our proprietary strengths," he adds.

The industry veteran has over 28 years' experience in international telecommunications business and is a strong believer in promoting transformative technology innovations.

Following its "Transform. Transcend. Service Strategy", the NTT Com group focuses on pursuing highly reliable and high quality infrastructure, developing flexible and agile services with advanced technologies, and expanding partnerships.

"Ultimately, in the interest of staying ahead and better serving the needs of our customers, NTT Com group takes to R&D to create new communication services and to foster foundational technologies that will realise communication networks to support these services by setting up the NTT Innovation Institute Inc," says Mr Wakai.

NTT Com's parent company Nippon Telegraph & Telephone (NTT) Group invests about US\$1 billion

(S\$1.32 billion) annually in research, which is carried out in three different laboratories in a wide range of fields, including some of the most advanced ICT research in the world.

One of these labs is based in the Silicon Valley. And in Japan alone, NTT Com has 2,500 researchers in 12 labs.

Alongside, NTT Com operates more than 140 data centres around the world with more than 0.4 million sq m of server floor space and is further expanding the capacity across the globe.

The investments allow the company to offer a range of services. These include software based virtualisation, technologies based on existing cloud services, as well as WAN, LAN and cloud connectivity services.

The expanded range of services enables customers to flexibly use the optimal, virtualised ICT environments.

NTT Com's technologically advanced solutions are already helping leading companies transcend expectations.

One of its core principles is to deploy its own team of engineers and consultants to work closely with the customer to understand the challenges and develop solutions.

A successful case study is that of the McLaren Formula One racing team.

NTT Com became its technology partner in 2016. By working with the McLaren Formula One racing team, NTT Com created a solution that helps the team stay at the forefront of the F1 race through a better race strategy. This was possible as the solution that NTT Com created enables the McLaren team to run real-time race simulations 25 per cent faster than they were able to do earlier.

Another interesting case study is NTT Com's work with Mitsui Chemicals, which needs accurate and timely feedback from all the sensors that are installed all over its plant, to determine the quality of the end product.

One of the key challenges Mitsui faced was that due to the high temperatures, some of these sensors did not work properly. This impacted the accuracy of the data collected from sensors.

To overcome the problem, NTT Com developed an IoT solution which relied on Mitsui's past data, for deep learning and predicting the quality of the product to be produced 20 minutes in advance.

"Many enterprise customers are working with AI and IoT to create services and customer experiences never seen before. But given that these are all new services, the components and specifications needed for such unprecedented offerings often are

unknown," says Mr Wakai.

"This is an area where we can demonstrate NTT Com's strengths, because we have the necessary components, including network, data centers and cloud platform, and can use them to offer one-stop services tailored to customer needs."

As a leading service provider, NTT Singapore stays ahead of its competitors by designing solutions that help to transform companies and enable them to rise to new heights in the global economy.

**Digitisation and the rising use of smart devices have established new standards for speed and ease of doing business in all settings, and customers are looking at us to help them re-define their competitive edge and optimise their customer experience efforts through transformative technology innovations. With technology as the underlying common denominator, we could not have existed in a more dynamic time, and for telecommunications carriers like NTT Com, we must adopt a customer-centric mind-set and move away from a product-centric approach of simply just reselling,**

NTT Singapore specialises in providing high quality connectivity, data center solutions, security services, IT management services, voice and conferencing solutions and solution integration services to enterprises worldwide. It is the regional headquarters of NTT Com for the Asia Pacific Region and was set up in 1997.

"We also provide Cloud Management Platform to visualise the entire ICT environments, Global Management One managed services to automate and optimise system operations, and WideAngle, managed security service. We have established an omnidirectional support system for customers, which enables one stop system operations," Mr Wakai says.

To ensure that NTT Singapore is able to support the ever-changing demands of its customers, it follows NTT Com's three initiatives to enhance its solutions:

- Investment in highly reliable and high quality infrastructure;
- Development of flexible and agile

services with advanced technologies; and

- Expanding partnerships.

"Separately, we also realised that we need to 'cultivate from within' as well so as to better help our customers," says Mr Wakai.

He highlights that NTT Com has several strengths to help customers successfully go through their digital transformation journey. These include:

- Global presence and ownership of infrastructure assets. NTT Com has a strong history of operating global enterprise network in more than 190 countries and regions worldwide;
- NTT Communications Group has subsidiaries and offices in 112 cities in 41 countries / regions;
- It is among the pioneers in the network virtualisation space;
- On top of having the leading technology, NTT has its staff positioned in these 112 cities worldwide to support clients' local branch offices;
- It is a partner with more than 1,000 access line providers and ISPs to procure competitive Internet and private networks globally;
- NTT has a strong reputation and credibility for high service quality which is recognised by leading IT advisory companies like Gartner, Frost & Sullivan, Asia Communications Awards, Telecom Asia, World Communications and Datacenter Dynamics; and
- NTT Com has proven capacity in understanding customers and capabilities in providing flexible and scalable solutions.

Many global businesses deploy NTT Com's highly reliable and high quality infrastructure to strengthen their global competitiveness.

"With our end-to-end information and ICT services, we provide safe and secure solutions for enterprises," says Mr Wakai.

"Backed by our-world class global infrastructure, we integrate existing systems with new architectures to optimise resources, build more flexible environments and drive innovation. We are a recognised industry leader with services and solutions that win awards worldwide," he adds.

Visit [www.sg.ntt.com](http://www.sg.ntt.com) or e-mail [marketing@ntt.com.sg](mailto:marketing@ntt.com.sg) to find out more about NTT Communications.

*The CEO's Perspective section of ST Asia Report magazine is an occasional series on companies trying to make a difference to businesses through their work.*



**Royston Sim**  
Assistant Political Editor



# A milestone pact to build connectivity

**When the RTS Link begins service, commuters can hop on a train every eight minutes on average.**

**S**ingaporean Beverly Ng travels to Johor regularly to have seafood. On Dec 20 last year, the 25-year-old teacher boarded an SBS Transit bus at the Woodlands checkpoint at 9am.

It got her to the Johor Baru checkpoint at 10.30am, but she had to wait until after 12pm before her passport was endorsed by an immigration officer.

The long wait she had to endure was because of the thick crowd of people and vehicles at the checkpoints during the December school holidays.

But the inconvenience will be a thing of the past when the cross-border MRT service between Bukit Chagar in Johor Baru and Woodlands North in Singapore opens by Dec 31, 2024.

When ready, the 4km Rapid Transit System (RTS) Link is expected to bring about two key benefits: Provide seamless connectivity and ease the current congestion at the Causeway.

Travellers will need to clear Customs and immigration only once, at their point of departure.

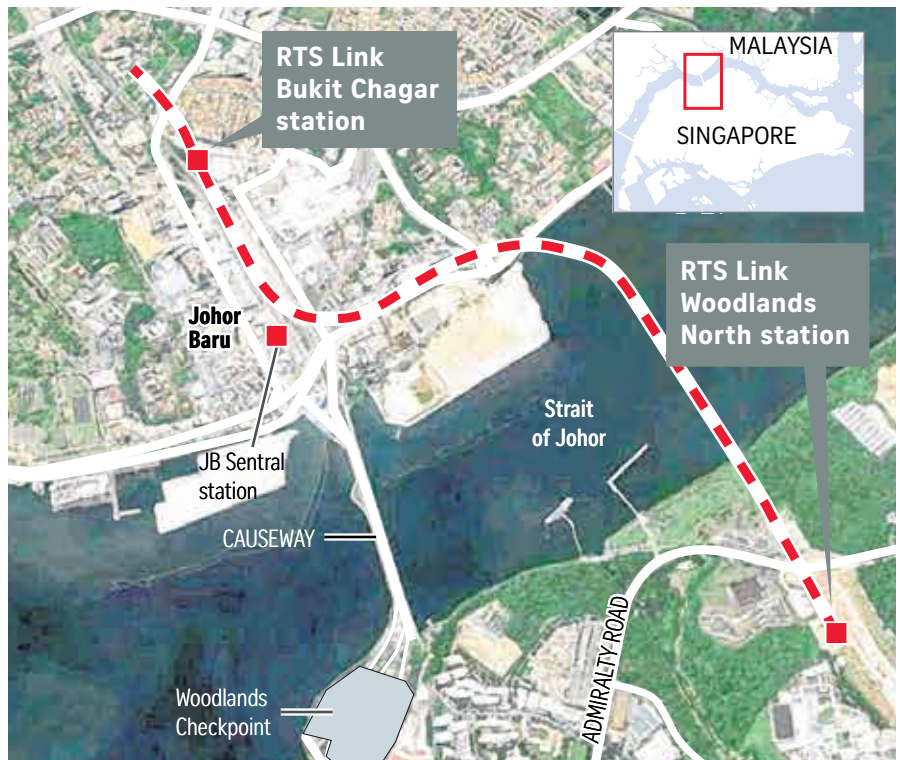
Malaysian Prime Minister Najib Razak highlighted the need to resolve the congestion at the Causeway, which sees more than 300,000 crossings daily.

He noted the wait to get across can stretch as long as three to four hours, especially during festive periods and school holidays.

The RTS, at its peak, can ferry 10,000 passengers an hour in each direction. This works out to having an additional capacity for 60,000 commuters to cross the Causeway during peak hours.

In today's terms, the extra capacity would cater to about two-thirds of the commuters crossing during the morning peak.

## Rapid Transit System (RTS) Link



**4km**  
Length of RTS Link

**10,000**  
Number of passengers the RTS Link can transport per hour in each direction

**8 mins**  
Average interval between train arrivals initially. This will eventually go down to 4 minutes during peak periods.

**25m**  
Height of bridge across the Strait of Johor

**7**  
Eventual fleet size of the RTS Link, which will start out with five MRT trains.

NOTE: Location of RTS light maintenance facility at Bukit Chagar not finalised

PHOTO: GOOGLE MAPS Sources: LTA, SPAD STRAITS TIMES GRAPHICS

The RTS Link has been a long time coming. It was announced in May 2010, and slated to be completed by this year. But details could not be worked out in time, and the completion schedule was pushed to 2024.

But while it is expected to be a boon for Singaporeans and Malaysians now caught in traffic snarls along the Causeway, there are a few wrinkles that need to be ironed out for the RTS to reach its full potential.

First, will the transport connections to and from the RTS on both sides be

enough to draw people to use it?

Transport researcher Lee Der Horng from the National University of Singapore believes the commuters who will benefit most from the RTS are those who live in Malaysia and travel daily or regularly to Singapore.

But would a Malaysian who lives in Senai in Johor and rides a motorcycle to work in Ubi make the change, he wondered.

The authorities have to address the challenge of first- and last-mile connections to attract more people who





Artist's impression of the soon to-be-built Woodlands North Station, as part of the Rapid Transit System Link Johor Baru-Singapore.  
PHOTO: LTA

currently commute from point to point, he added.

On Singapore's end, the RTS will connect directly to the upcoming 31-station Thomson-East Coast Line, which will open in phases from next year to 2024.

Another point to address is the flow of passengers at the immigration checkpoints on either side.

Like the future high-speed rail line between Singapore and Kuala Lumpur, the RTS Link will have a joint Customs, immigration and quarantine facility at

both terminus stations.

While this is convenient for travellers, there is still the potential for bottlenecks.

The challenge is to arrive at that fine balance between ensuring security and a smooth flow for commuters to board the trains.

Officers at the land checkpoints have been intensifying checks amid the rising terror threat which, in turn, has contributed to a longer waiting time.

Similarly, the RTS Link must be properly secured.

The checks, however, should not be

so onerous that Causeway traffic jams are transferred to the RTS Link in the form of human jams.

With the 4km line, it would take only minutes for an MRT train to travel between Bukit Chagar and Woodlands North.

It is thus important to keep an eye on how long it takes to clear Customs and immigration, lest the "Rapid" in RTS becomes a misnomer.

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## Mega projects will create 250,000 jobs, says Johor Menteri Besar

**PASIR GUDANG** • The Johor government has a long-term plan for the state and wants to make it the new economic powerhouse in Malaysia, said Menteri Besar Mohamed Khaled Nordin.

He said mega projects such as the Rapid Transit System (RTS) to Singapore, the Gemas-Johor Baru double-tracking rail system, the Kuala Lumpur-Singapore High Speed Rail, and the Refinery and Petrochemical Integrated Development project in Pengerang would put Johor above others once completed.

"More importantly, these mega projects - together with other developments taking place here - will generate 250,000 employment opportunities in the state," he said in a speech on Jan 21.

He also blasted critics for questioning the state government's efforts in

attracting foreign investments. The opposition, including ex-premier Tun Dr Mahathir Mohamad, had attacked the government for the many residential property projects by Chinese companies that lure Chinese nationals to buy homes in Johor.

"Without these investments, the state government cannot develop Johor's economy. We can see how vibrant the developments here are," he said.

Datuk Seri Khaled said that unlike the ruling coalition Barisan Nasional (BN), the opposition does not have any concrete plans for Johor.

The agreement for the RTS project was signed by Malaysia and Singapore on Jan 16 at the eighth annual retreat between the leaders of both countries.

The RTS will connect Bukit Chagar in Johor Baru and the planned Woodlands North MRT station, which

is part of the upcoming Thomson-East Coast Line, in Singapore.

Alluding to the high cost of homes that is a chief complaint among Malaysians, he said the state government has been proactive in addressing the issue in urban areas by building affordable homes and other initiatives.

"We have built 27 per cent of affordable homes in Johor so far, with a price range of between RM40,000 (S\$12,700) and RM150,000, which is the cheapest in Malaysia," he said.

Mr Khaled said it was the responsibility of the BN-led state government to ensure that the people are able to benefit from development.

"It is our aspiration to make Johor a developed state and (that) its rakyat (Malay for people) enjoy prosperous lives," he added.

- The Star/Asia News Network

**Walter Sim**

Japan Correspondent



Trade ministers and delegates from the remaining members of the Trans Pacific Partnership (TPP) attend the TPP Ministerial Meeting during Apec 2017 in Da Nang, Vietnam in November. PHOTO: REUTERS

# TPP-11 trade pact over 10 years in the making

**A** major Pacific Rim trade deal looked dead in the water a year ago.

In one of his first acts in office, United States President Donald Trump nixed what he denounced as the “job-killing” Trans-Pacific Partnership (TPP). Japanese Prime Minister Shinzo Abe had, at the time, reacted by saying it would be “meaningless” to pursue such a pact without the world’s largest economy.

Tokyo’s calculations, however, would soon change. By April last year, it was at the forefront of a major pushback against the surge in protectionism as it vowed to build an open and free economic order in the Asia-Pacific.

The agreement in Tokyo on Jan 23 by the remaining 11 countries in the original TPP to move forward on the revised deal - now renamed the Comprehensive and Progressive Agreement for

TPP (CPTPP) - caps a trade pact over 10 years in the making, with its roots in an agreement between Singapore, Brunei, Chile and New Zealand.

Singapore’s Ministry of Trade and Industry said in a statement that Jan 23’s outcome “reaffirms the CPTPP countries’ collective commitment towards greater trade liberalisation and regional integration”.

Waseda University economist Shujiro Urata has forecast a boost of 0.9 per cent to the Japanese economy once the CPTPP is enforced. He said it is “not a small number” for the world’s third-largest economy, which is growing about

1 per cent a year on average.

“Increasing business opportunities for Japanese firms in foreign markets and reducing investment barriers abroad will open doors for a domestic market that is suffering from a declining population and ageing demographic,” he said.

But the Economist Intelligence Unit’s Japan analyst, Ms Agathe L’Homme, told The Straits Times that she expected the effects of the CPTPP would not be felt until the 2020s, “given the lengthy ratification and implementation process”.

Singapore, too, will stand to reap benefits from the deal after it goes into force, even though it already has free





## Trade Briefs

### Trump threatens new trade penalties

WASHINGTON – President Donald Trump has said that the United States would soon announce a “reciprocal tax” on countries that take advantage of the US on trade, including trading partners he described as “so-called allies.”

“They’ll send in their product, and we won’t charge them anything,” the president said during a meeting with mayors and governors to discuss his proposal for rebuilding American infrastructure. “And we send them our product – same product as they’re sending us – and they’ll charge us 50 and 75 percent tax, and that’s very unfair.”

The White House has, however, played down his comments.

- New York Times

### Beijing ups trade tensions

BEIJING – Trade tensions between the world’s two largest economies continued to simmer as Beijing took aim at imports of a key chemical from the United States, the latest move in a growing standoff between the pair.

China’s Ministry of Commerce said in February that it had found dumping of styrene imports from the US, Taiwan and South Korea in an initial ruling of an ongoing trade investigation into the chemical.

The initial ruling called for importers to place anti-dumping deposits of five to 10.7 per cent with China’s customs administration. Those deposits will be applied to tariffs if the commerce ministry decides to levy duties in a final ruling.

- Agence France-Presse

### Thailand pitches rail projects to Japanese investors

BANGKOK – Thailand has made a pitch to Japan’s Kyushu Railway Co to come on board for the proposed Bangkok-Rayong high-speed train service, Deputy Prime Minister Somkid Jatusripitak said.

The 300-kilometre route will connect three key international airports: Don Mueang and Suvarnabhumi in Bangkok, and U-Tapao in Rayong province. This project is one of the major transport infrastructure projects planned for the country’s Eastern Economic Corridor.

- The Nation/Asia News Network



### Global trade growth above-trend: WTO outlook indicator

GENEVA – Global trade in goods will continue growing above trend during the second quarter, the World Trade Organisation’s quarterly outlook indicator said.

The indicator, a composite published since the third quarter of 2016, showed a reading of 102.3, compared to 102.2 last November.

All the indicator’s seven components were positive except for trade in electronic components, which fell to 94.1 from 103.3 in the previous quarter, possibly indicating a weakening of consumer sentiment, the WTO said in a statement.

The WTO has forecast overall growth in world goods trade in a range of 1.4 per cent to 4.4 per cent this year, most likely around 3.2 per cent, compared to an estimated 3.6 per cent in 2017.

- Reuters

### Seoul to seek investor protection measures in FTA talks with China

SEOUL – South Korea’s trade ministry has said it will seek ways to better protect investor rights from arbitrary regulations when holding talks with China to expand the scope of the two countries’ free trade agreement to the service and investment sector.

The Ministry of Trade, Industry and Energy said it will push for the FTA talks in a way that creates new business opportunities for local companies in the tourism, culture, legal and medical industries.

South Korea and China implemented the FTA focused on lowering tariffs on goods in December 2015 and are set to engage in talks to include the service and investment sectors.

- The Korea Herald/Asia News Network

trade pacts with all the CPTPP member countries save for Canada and Mexico.

The other countries in the TPP-11 group are Australia, Brunei, Chile, Malaysia, New Zealand, Peru and Vietnam.

DBS senior economist Irvin Seah, a former negotiator for free trade agreements, told The Straits Times that

the CPTPP was significant as it involved more commitments than the bilateral deals, including in intangible areas such as environment and labour issues.

“Stronger growth in the Asia-Pacific region will also definitely benefit trade-dependent countries like Singapore,” he said.

OCBC economist Selena Ling

added that the CPTPP agreement was a “testament that trade agreements are not passe”, and might add momentum to talks for other multilateral trade deals such as the Regional Comprehensive Economic Partnership.

Japan and Singapore said the door would be kept open for other territories to join the pact, with South Korea, Indonesia, Thailand, the Philippines and Taiwan having expressed interest.

It is also hoped that the US would eventually be persuaded to return.

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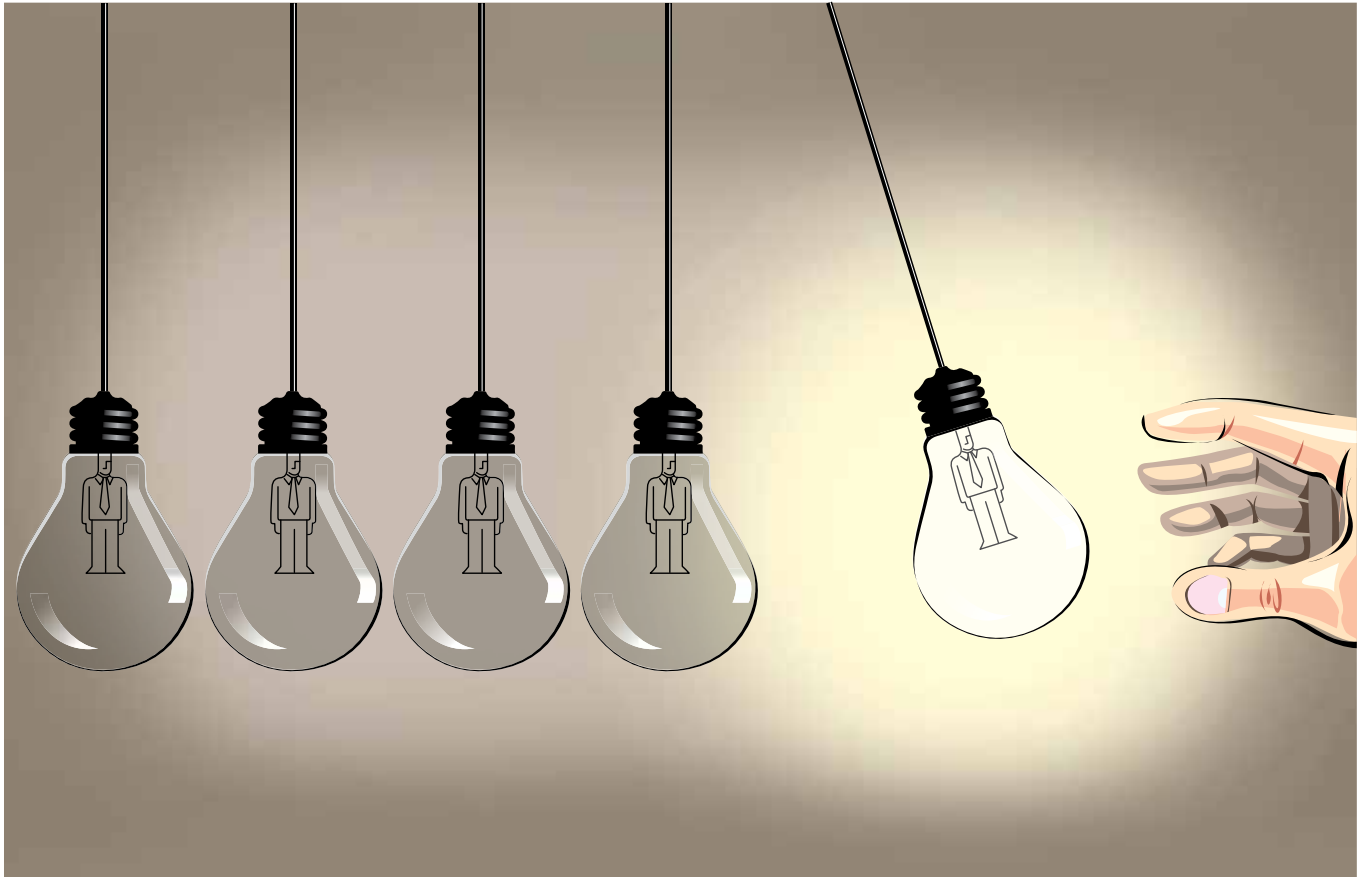


Asia  
report



**Vikram Khanna**

Associate Editor



ST ILLUSTRATION: CEL GULAPA

# Let intrapreneurs bloom

**Companies that want to encourage employees to innovate from within need to maximise opportunity, not minimise risk**

**B**ig companies are not known to be entrepreneurial. Many of them don't know, or don't believe, they have entrepreneurs in their midst. Indeed, they are often quicker to stamp them out than seek them out.

So it was encouraging to read in *The Business Times* that in battling the threat from more nimble fintechs, some big banks have put systems in place to tap their employees for innovation.

Standard Chartered Bank gives its worldwide staff 100 "innovation dollars" each to invest in ideas they like, with the winning ideas going up to management.

OCBC Bank has an innovation laboratory called The Open Vault, where bankers can experiment with new concepts after hours. DBS Bank has a programme to pump money into employees' start-up projects and it even allows them to raise funds from outside parties.

These are examples of what, in the business literature, is called "intrapreneurship", a term coined by serial entrepreneur turned corporate adviser Gifford Pinchot.

Dictionary.com defines an intrapreneur as "an employee of a large corporation who is given freedom and financial support to create new products, services, systems, et cetera, and does not have to follow the corporation's usual routines or protocols".

You might reasonably wonder whether such people exist. After all, if they really were entrepreneurs, would they not be already running their own companies instead of working for big organisations?

The research suggests that they do indeed exist.

## RECOGNISE INNOVATORS

In an article titled *Recognise Intrapreneurs Before They Leave* in the *Harvard Business Review* of September 2013, Dartmouth College's Professor Vijay Govindarajan and innovation strategist Jatin Desai noted that typically, in a firm with 5,000 employees, there are at least 250 natural innovators, of which at least 25 are great intrapreneurs who can build the next business for the firm. But most of them are hiding.

Other research corroborates this. Dr Tomas Chamorro-Premuzic, a professor of business psychology at University College London and Columbia University, found that 70 per cent of successful entrepreneurs incubated their business ideas while being employed by someone else.

His sobering conclusion: "By failing to attend to their employees' ideas... bad leaders accidentally stimulate entrepreneurship."

Many progressive companies, such as 3M, Google, Accenture, Adobe and Deloitte, have put formal systems in place to ferret out and encourage their intrapreneurs.

Many well-known products and services are the result of intrapreneurial efforts – including Gmail, which was the first to integrate a search function with e-mail; the Post-it note (whose inventor at 3M got tired of bookmarks falling out of his books); and the SR-71 “Blackbird”, the innovative long-range reconnaissance aircraft that came out of Lockheed Martin’s skunkworks, where a small team was allowed to work independently, freed from the usual corporate constraints.

So why don’t more big companies do this? Why is intrapreneurship more the exception than the rule?

Mr Hugh Mason, co-founder of the Singapore-based innovation consultancy Joyful Frog Digital Innovation, who has mentored more than 500 companies over the past 20 years, including some 50 multinational corporations, said deeply entrenched corporate culture is a big part of the problem, and it is common in Singapore.

“If the culture of the company is about minimising risk, it won’t be able to maximise opportunity,” he said. “If you try to be an intrapreneur, you might discover that your biggest enemies are your own colleagues – they are trying to minimise risk.”

That was the story at Kodak – where digital photography was invented, but discouraged, because the company was making a lot of its money from film – as well as Research In Motion (the maker of BlackBerry phones) and Nokia, both of which were doing so well from feature phones that they failed to invest in the technology for smartphones.

A related problem, Mr Mason said, is alignment with corporate objectives, which are often influenced by a company’s existing products. The once high-flying Xerox had the technology to make computers (some of which companies such as Microsoft and Apple copied) but didn’t, because whatever it produced had to look like a photocopier.

## RIGID ADHERENCE A PROBLEM

Rigid adherence to preset goals, in which big companies excel, can be another problem. Preset goals enable companies to create audit trails to measure progress. Many large companies in Singapore have departments dedicated to doing just that.

But it is hard to do with innovation, which is often the result of exploration.

Like sea captains, when entrepreneurs hit obstacles, they change course.

And so, as Mr Pinchot’s research shows, innovators often end up creating products that they didn’t originally set out to do. The inventors of Viagra, which is used to treat erectile dysfunction, were actually trying to develop a treatment for heart disease.

Bubble wrap, the packaging material, was originally intended to be used as wallpaper. Coca-Cola was invented as a medicine to treat morphine addiction.

Innovation is not a linear process. It comes up against barriers, mistakes and accidents, for which big companies often don’t have much tolerance.

Many well-known products and services are the result of intrapreneurial efforts – including Gmail, which was the first to integrate a search function with e-mail; the Post-it note (whose inventor at 3M got tired of bookmarks falling out of his books); and the SR-71 “Blackbird”, the innovative long-range reconnaissance aircraft that came out of Lockheed Martin’s skunkworks, where a small team was allowed to work independently, freed from the usual corporate constraints.

Shareholder pressure can be another deterrent to innovation, according to Mr Mason. Financially motivated shareholders want returns in the short term. Innovation, which yields returns over the longer term, is typically not high on their list of priorities. Ditto for company boards, which are more focused on productivity and automation than innovation.

Boards and chief executives also have a near-monopoly in the allocation of capital. In an interview in 2012, management guru and consultant Gary Hamel pointed out to me that many large companies, including in Singapore, allocate resources in much the same way as the former Soviet Union, where a small group of planners would decide on investments in everything, ranging from power plants to safety pins.

“People in companies have to fight for resources through several layers of management, and then finally, somebody at the top says ‘we’re going to invest’, or ‘we’re not going to invest’,” he said.

## EXPERIMENTS ARE THE KEY

Decentralised resource allocation, which allows small amounts of capital to be invested in multiple, low-cost experiments, leads to more innovation than big spending on expensive projects, Dr Hamel noted.

Most experiments will fail, but a few will succeed – as happened at companies such as Google, which continues to experiment even today. Remember, some of the most innovative companies started out dirt poor, said Dr Hamel.

Developing a culture of experimentation also helps big companies partner more effectively with start-ups – which is now essential, as many big banks that are partnering fintechs have learnt.

As Mr Pinchot put it: “To co-innovate with entrepreneurial firms, you need to come close to matching their ability to experiment, learn and change.

“And you can be an effective partner to entrepreneurial firms only if the relationships are managed on your side by intrapreneurs who are free to act rapidly without being second-guessed by bureaucrats.”

For intrapreneurs to emerge and thrive, the bureaucrats must change too. Many deeply entrenched attitudes like “this is the way it’s always been done” have to go out the window.

Entrepreneur Eric Ries, author of *The Lean Startup*, who has helped many large companies with intrapreneurship, pointed out that those that succeed understand that innovation has to be supported by a culture that runs through the entire organisation.

Mr Mason said most big companies in Singapore still don’t get it. Some have “employee idea” schemes, but these produce incremental innovation at best. Even when partnering small companies, big companies tend to have an incrementalist mindset. Typically, the questions they ask are not “how can we transform our business?” but “how cheaply can we do this?” and “can we do this in-house?”

“There is a lot of innovation theatre in Singapore,” he said. “But, aside from a handful of companies that think long term, I can’t say anybody is really doing it right.”

But he doesn’t want to sound too negative, he said. “We’re at the beginning of something here. This is a fantastic opportunity.”



**Christopher Tan**  
Senior Correspondent



# Cars to look out for

**Here are some recent launches that are revving up the car market.**

This year may well be another fork in the road for car buyers. Should they consider giving electric cars, which will soon arrive in numbers, a go? (Yes.) Should they worry about a new Vehicular Emissions Scheme? (No.)

While they debate these and other issues, one thing, however, will remain constant - the number of new car models being launched. Each year, some 50 or more compete for buyers' attention here. ST Asia Report shares six to watch out for.



## VOLVO XC40

Despite its urbane outlook, the XC40 has rugged credentials, with all-wheel-drive, an off-road drive mode and a wading depth of 450mm, just 50mm less than the Range Rover Evoque's. Its interior also comes with superior utility. Lots of storage is available in the door pockets and under the centre armrest. The cabin is spacious and youthful, with a tablet infotainment screen taking centre stage. Other cool features include a frameless rear-view mirror and a foldable boot floor.



## HYUNDAI KONA

Hyundai's Kona has a hip and modern design, offers a surprisingly feisty drive and is adequately roomy and generously equipped for a subcompact. As the South Korean brand's first small crossover, it is a creditable debut, leaving a positive and lasting impression on almost every front. Size-wise, the Kona sits between the Volkswagen Golf and Polo. Raised front seats and a flattish floor give rear occupants more legroom.



## VOLKSWAGEN ARTEON

The Arteon has the general outline of an Audi A5 Sportback, but is noticeably bigger. It is a busy design, with more lines and creases on its body than an origami creation. But if you take in the car in its entirety, it is surprisingly inoffensive.

Inside, the Arteon impresses firstly with its roominess. Rear legroom is more than decent and headroom is astounding for a car with rakish A and C pillars.



## PEUGEOT 5008

Peugeot's 5008 was previously billed as a multi-purpose vehicle (MPV), but has morphed into a seven-seat sport utility vehicle (SUV) in its latest version. It is also styled more ruggedly, coming across a wee bit like the Range Rover Velar. It is a sizeable vehicle as well.

Despite that, its third-row seats are best suited for short trips. Legroom is tight and the seatbelt's shoulder anchor is set rather high. In practice, the 5008 is at best a five-plus-two-seater.



## MASERATI LEVANTE S

Sometimes, the only thing separating a palatable car and a lip-smacking one is sound. Maserati's Levante sport utility vehicle (SUV) is a prime example, simply because it sounds like a Maserati - loud, brash and over the top. As un-neighbourly as this booming giant can be, it is hard to resist driving it in sport mode. Its aural appeal aside, the car is just so much more entertaining with its suspension stiffened, its throttle response sharpened and its exhaust flaps wide open.



## MITSUBISHI ECLIPSE CROSS

The Eclipse Cross is the first of its kind from a Japanese maker. Looking like a slightly smaller Outlander with a Honda CR-X coupe's rear section, the Eclipse Cross is certainly an interesting take on how two vastly opposing genres can merge. Visually, its CR-X-inspired rear stands out. With its strip of rear brake lights bisecting its angled rear windscreen, it has a touch of avant-garde.

ST PHOTOS: ARIFFIN JAMAR, JONATHAN CHOO, SEAH KWANG PENG, MARK CHEONG, KUA CHEE SIONG



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