

THE STRAITS TIMES
Asia
report

MCI(P) 087/05/2019

December 2019

INDEPENDENT • INSIDER • INSIGHTS ON ASIA



ASIA
FLASHBACK
2019
OUTLOOK
2020

Will a year of upheavals make way for hope or anxiety?



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World military spending up

GROWING INSECURITY IS FORCING THE WORLD TO spend more on defence. Total world military expenditure rose US\$1.82 trillion (S\$2.48 trillion) in 2018, representing an increase of 2.6 per cent from 2017, according to data from the Stockholm International Peace Research Institute (SIPRI). The United States, China, Saudi Arabia, India and France, proved to be the five biggest spenders in 2018, which together accounted for 60 per cent of global military spending.

The US remained by far the largest spender in the world, spending almost as much on its military in 2018

as the next eight largest-spending countries combined. This was also China's 24th consecutive year of increase in military expenditure.

In Asia, military spending in the region accounted for 28 per cent of the global total at US\$507 billion, with a 3.1 per cent to US\$66.5 billion in India and a 5.1 per cent to US\$43.1 billion in South Korea.

Overall, total global military spending in 2018 rose to the highest level since 1988 – the first year for which consistent global data is available. World spending is now 76 per cent higher than the post-cold war low in 1998. [ST](#)

TOP TWO SPENDERS

UNITED STATES



CHINA



3RD – 5TH

SAUDI ARABIA



INDIA

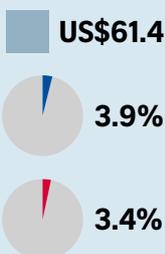


FRANCE

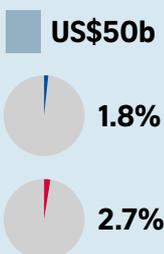


6TH – 10TH

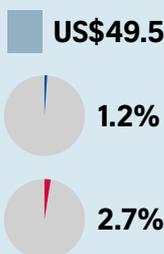
RUSSIA



BRITAIN



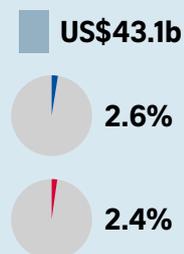
GERMANY



JAPAN

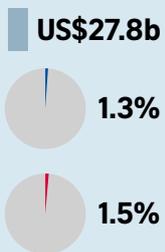


SOUTH KOREA

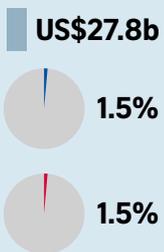


11TH – 15TH

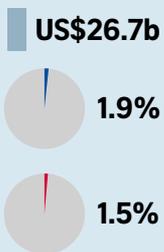
ITALY



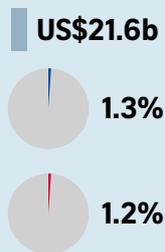
BRAZIL



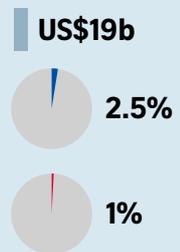
AUSTRALIA



CANADA



TURKEY



NOTE: Five biggest spenders accounted for 60% of global military spending. Top 15 account for 81%

Source: AFP STRAITS TIMES GRAPHICS

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Published by
 The Straits Times, Singapore Press Holdings (SPH)

Printed by
 Times Printers Private Limited

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 Orchard Road Christmas light-up expands

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PHOTO: EDELMAN

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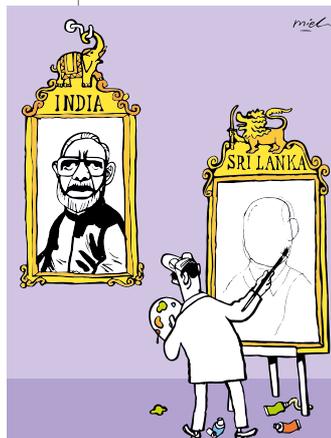
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No 9-5 grind but it's not an easy ride

5 types of gig economy workers



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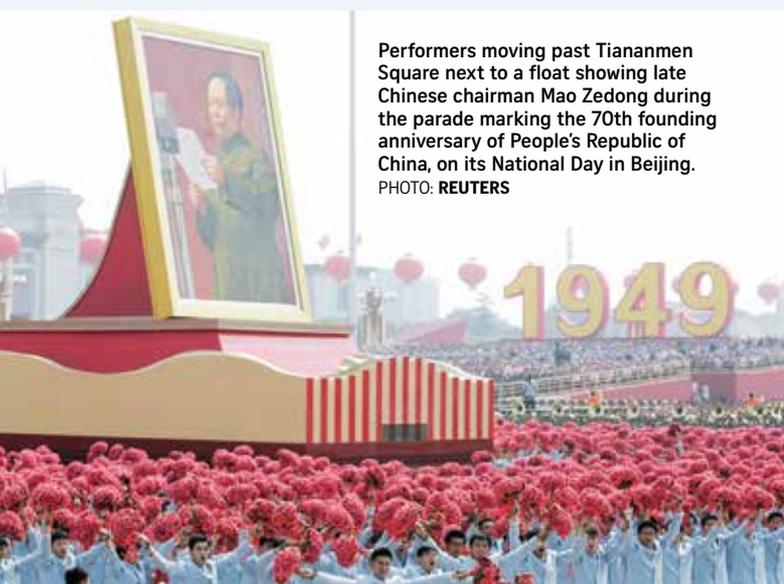
Big Picture

Working sky high

From discord and disruption to stability or uncertainty?

From the tear-gassed streets of Hong Kong, to intricate Japanese rituals of Emperor Naruhito's ascension to the throne, 2019 was a roller coaster year. But 2020 could be more eventful with disputes between the US and China, American elections, trade shifts, the integration of robots into our everyday lives and more happening. Here's a look at significant events this past year and those that could shape 2020's global landscape

Flashback 2019



Performers moving past Tiananmen Square next to a float showing late Chinese chairman Mao Zedong during the parade marking the 70th founding anniversary of People's Republic of China, on its National Day in Beijing.
PHOTO: REUTERS

EAST ASIA

China marches on

At 70, China retains the capacity to surprise. When chairman Mao Zedong proclaimed the founding of the People's Republic of China seven decades ago, few could have entertained the possibility of the country looming large as one of the greatest economic success stories ever to be told, on track to eclipse the United States as the world's biggest economy in a matter of decades. Fewer still could have imagined it would emerge as the main challenger to US military might, or indeed that the ruling Chinese Communist Party would prove resilient. Yet China has grown from strength to strength. Its economy surged at an average rate of around 8 per cent a year to free over 800 million people trapped in poverty. Life expectancy more than doubled from 35 to 77. Ditching the early obsession for self-sufficiency to become the world's largest trading nation, it is now the No. 1 trading partner for all of South-east Asia's economies.



Protesters in Hong Kong, folding paper cranes at New Town Plaza to form the words "Free HK" on Oct 2. ST PHOTO: CHONG JUN LIANG

Not only did China change – that is clear – but it also changed the world. And despite concerns over its opaque political system and geopolitical ambitions, it remains the favourite of foreign investors, second only to the US in drawing inward investment. If it is able to sustain its economic growth, and improve on it, some economic observers have said it could surpass US economic growth by 2030 to 2040.

The China transformation story is, however, fraying at the edges as it encounters both the limits of its resource-intensive economic growth model and the constraints of its tightly held political model. Much more than to outsiders, the imperative of maintaining order and growth is evident within the governing elite of China. For in the absence of elections, it is the promise of prosperity that legitimises the rule of the Communist Party. Under President Xi Jinping, China formally embraced the markets in 2013 and the private sector in 2018. But its own policymakers admit that it has not yet carried out the reforms that will enable the transition from being big to being strong. Yet that is the critical transition to secure growth.

Hong Kong's summer of discontent

A modicum of calm appears to have returned to Hong Kong. This is after more than six months of protests over a now-withdrawn extradition Bill. Both the government and pro-democracy protesters have dug deep into their positions: the government's that no more concessions will be given, and the protesters' that the authorities should yield to all their demands. Violence cannot be condoned but to prevent Hong Kong sinking into a quagmire of continual unrest, the government needs to address protester demands. Protesters, on their part, need to dial down on their fury and shun violence for a meaningful conversation to take place.



Japan's Empress Masako walking towards Yukiden, one of the two main halls of Daijokyu, where Daijosai ritual of great thanksgiving takes place, at the Imperial Palace in Tokyo on Nov 14, 2019. PHOTO: AFP

Emperor Naruhito and Empress Masako at the enthronement ceremony where the emperor officially proclaimed his ascension to the Chrysanthemum Throne at the Imperial Palace in Tokyo on Oct 22. PHOTO: AFP

Naruhito's new start & Abe's long reign

In a colourful ceremony rich with tradition and symbolism, Japan's Emperor Naruhito declared his formal enthronement on Oct 22, six months after ascending to the Chrysanthemum Throne following his father Akihito's abdication. Like his father, Emperor Naruhito has dared to go against tradition to marry a non-royal and career diplomat, Masako Owada. Brought up unconventionally by his mother instead of by nannies, he is also the first Japanese emperor to be educated abroad, at Oxford University. The expectation is that he will contribute further to peace and prosperity to bring about "beautiful harmony" – or Reiwa, the name of his era – to the region. Meanwhile, Prime Minister Shinzo Abe became the country's longest-serving premier on Nov 19.



Prime Minister Shinzo Abe, 65, surpassed the record for Japan's longest-serving premier on Nov 19, when he completed 2,886 days in office. The record was previously held by Mr Taro Katsura, more than a century ago. PHOTO: REUTERS



North Korea's leader Kim Jong Un and United States President Donald Trump meet during the second US-North Korea summit in Hanoi. PHOTO: TAN CHUI HOON

The persisting divide between North Korea, US

North Korea's frequent tests of rockets and projectiles proved right the sceptics who say the North has no intention to forgo nuclear weapons and is determined to perfect missiles to strike the continental US. This kept the fear of some harsh possibilities alive – a US strike on missile facilities that could prompt some form of retaliation by Pyongyang, or attempts at regime change. Washington has obvious difficulties in trusting Pyongyang that has broken promises before. From the North's point of view, there is a reluctance to trust the US. Efforts are needed to minimise the divide.

TRADE

Underlying tensions in US-China trade deal

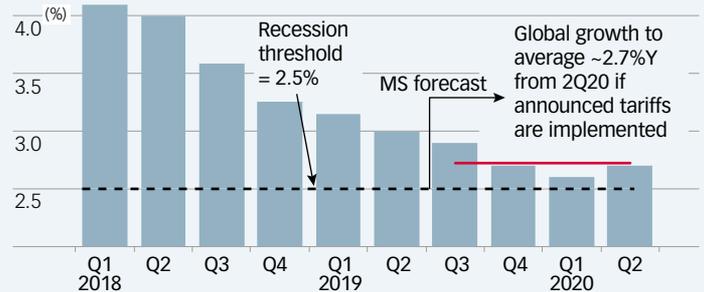
Hopes remain for a partial trade deal between the United States and China that will de-escalate tensions between the two countries that has gone on for more than a year now and dragged down not only their economies but also that of the world. As encouraging as progress is for the “Phase 1” deal, as US President Donald Trump calls it, complete resolution of the trade war, with its many intractable issues, still doesn’t seem like it will happen too soon. And even when that does occur, analysts, including those from the US, have warned that it will not resolve all the issues and difficulties in the US-China relationship. Washington worries that China is seeking to propagate a model of illiberal authoritarianism – which is at odds with America’s liberal democracy – globally given China’s growing economic influence. Its answer is to constrain China and to seek to decouple its economy and technology from that of China. Any decoupling or all-out conflict between the two rivals will be disastrous for everyone, not least the Asian region, with its close economic and security ties with the two major powers.

China’s Vice-Premier Liu He, standing between U.S. Trade Representative Robert Lighthizer (L) and Treasury Secretary Steve Mnuchin, gestures to the media before the two countries’ trade negotiations in Washington on Oct 10. PHOTO: REUTERS



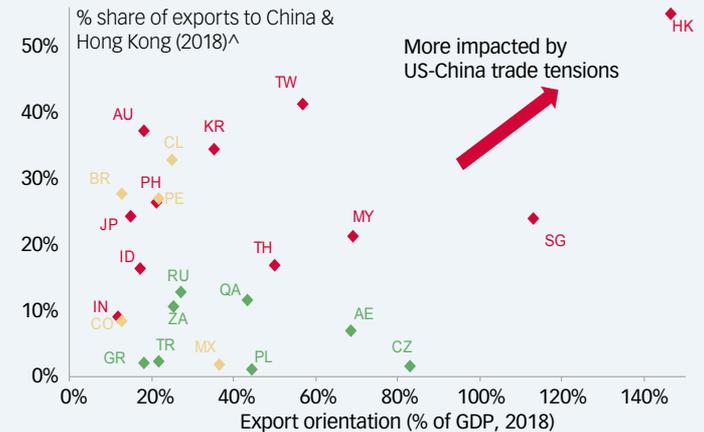
Impact of trade tensions

Global* real GDP growth



*Global real GDP growth includes economies under Morgan Stanley coverage, and is PPP-weighted.

Exposure by country



^2017 data for Greece, and exports to China only for Colombia and Peru; Classifications follow MSCI EM: blue markers denote EM Asia economies (+Japan and Australia), yellow markers denote EM Americas economies, and green markers refer to EM Europe, Middle East and Africa economies.

Source: Source: Haver Analytics, CEIC, IMF, Morgan Stanley Research, Haver BT GRAPHICS

RCEP: New regional pact to promote free trade

The decision of the 10 members of Asean and five of their trading partners – China, Japan, South Korea, Australia and New Zealand – to sign the Regional Comprehensive Economic Partnership (RCEP) deal next year is a vote of confidence in the rules-based trading order that has been rent asunder by unilateral actions. Once perceived as a countervailing force to what was to be a United States-led Trans Pacific Partnership (TPP), the new trade pact now on the block represents a logical path for Asia’s economic integration. India’s absence in the pact rankles. But New Delhi has been accorded the room to join the grouping when Prime Minister Narendra Modi judges that the benefits of belonging to the world’s largest trading pact outweigh the costs. The gains include market access, which will prove increasingly valuable as exports become a more important component of the growing Indian economy, and a chance for India to forge its own supply chains in the region. RCEP is also a nudge, if one was needed, to the world’s largest economy, the US, to maintain its role as the leading investor and trading partner in the region.



Ministers posing for a group photo during the 3rd Regional Comprehensive Economic Partnership (RCEP) Summit in Bangkok on Nov 4 on the sidelines of the 35th Asean Summit. PHOTO: AFP

S.Korea, Japan clash

South Korea's relations with Japan took a turn for the better after Seoul decided to extend an intelligence-sharing pact with Tokyo hours before it was set to expire, on Nov 22. This came about after a visit by US Defence Secretary Mark Esper to South Korea, to discuss the presence of US troops in the country and other bilateral matters. Following Seoul's decision, senior officials from Japan and South Korea agreed to meet to discuss Tokyo's controls on tech-related exports to Seoul. The trade row has had a bearing on Tokyo's overall exports to Seoul, with Japanese beer exports, popular in South Korea at one time, dropping to zero, last month.

ST ILLUSTRATION: MANNY FRANCISCO



Indonesian President Joko Widodo, Vice-President Ma'ruf Amin, and newly appointed cabinet ministers posing for photographers before the inauguration of new Cabinet ministers for Widodo's second term, at the Presidential Palace in Jakarta. PHOTO: REUTERS

SOUTH-EAST ASIA

Jokowi's mandate for further progress

Indonesia renewed President Joko Widodo's mandate with 55.5 per cent of votes in his favour, in the April 17 election and he was sworn in for a second term in October. In his first term, the Indonesian economy expanded to a milestone of US\$1 trillion. But it chalked an average annual growth of just over 5 per cent, never hitting the

promised 7 per cent. In his second stint, there are expectations that his cabinet will put in measures to ensure that the economy reaches its potential, estimated at US\$10 trillion (\$13.8 trillion) over the next decade, to become the fourth-largest in the world, behind only China, India and the United States in purchasing power parity terms.

Singapore pips US in competitiveness report

Singapore emerged as the world's most competitive economy in the World Economic Forum's Global Competitiveness Index for 2019, edging ahead of the United States, which was top last year. Singapore was also No. 1 for two of the index's other pillars – citizens' healthy life expectancy years and labour markets. The country financial system, market efficiency and macroeconomic stability contributed, the report said. But the Republic needs to promote entrepreneurship and improve its skills base to become a global innovation hub, it noted.

ST ILLUSTRATION: CEL GULAPA



(From left) Malaysia's Prime Minister Mahathir Mohamad, Economic Affairs Minister Azmin Ali and Parti Keadilan Rakyat (PKR) president Anwar Ibrahim. PHOTOS: REUTERS, CHINA PRESS

Mahathir-Anwar-Azmin

Malaysian politics went through riveting times with frequent speculation over Prime Minister Mahathir Mohamad's inclination to pass the baton to Parti Keadilan Rakyat president Anwar Ibrahim, and when. Thrown into this were controversies swirling around Malaysian Economic Affairs Minister Azmin Ali, who was being seen earlier in some quarters as a possible contender for the top job. But the possibility of this happening receded after his name was linked to a sex video scandal. Meanwhile, as the year draws to a close, the ruling Pakatan Harapan government faces questions about its popularity after it suffered a significant loss in the Tanjong Piai by-election.

Thai king & his new order

Thai King Maha Vajiralongkorn made his powerful presence known. Early in the year, he denounced his elder sister's bid to contest the national elections held in March. Declaring that princess Ubolratna Rajakanya's act had defied the nation's traditions, customs and culture, he deemed her act "inappropriate." Eventually, the party that nominated her was dissolved. In May, his marriage to former flight attendant and deputy head of his personal guard force, Ms Suthida Tidjai, and making her his Queen just three days before his coronation, was a bolt from the blue. Just months later, he bestowed the Royal Noble Consort title to a former nurse Ms Sineenat, something that had not been done in almost a century. In October, she was stripped of her title and military ranks for being disloyal and ungrateful to the King. Four other officials were dismissed thereafter for being "ungrateful" and trying to "sabotage" the Queen's appointment.



Thailand's King Maha Vajiralongkorn in a photo with previous royal noble consort Sineenat Bilaskalayani, also known as Sineenat Wongvajirapakdi.

PHOTO: THAILAND'S ROYAL OFFICE



Thailand's Queen Suthida. PHOTO: THAILAND'S ROYAL OFFICE



State Counsellor of Myanmar Aung San Suu Kyi at the 13th Asia-Europe Meeting (ASEM) in Naypyidaw. PHOTO: DPA

Suu Kyi to defend Myanmar in Rohingya lawsuit

Myanmar leader Aung San Suu Kyi is set to personally defend her country in December at the United Nations' top court against Gambia's allegation that her country committed genocide on the Rohingya. The state counsellor caused a stir when it was announced that she would lead Myanmar's legal team before the International Court of Justice (ICJ). Ms Suu Kyi, while grappling with a military she cannot control, has been accused of shielding it from the consequences of its crimes against the Rohingya. Before this, Naypyitaw had largely brushed off other international attempts to probe the torture, murder and rape of the Muslim Rohingya, more than 740,000 of whom fled the country to neighbouring Bangladesh. Myanmar doesn't recognise the Rohingyas as citizens and while it has offered to allow them to return, only a few hundred have done so, with many others fearing persecution.

SOUTH ASIA/AUSTRALASIA

A new era for Jammu & Kashmir

The Indian government's move to cancel the statehood and special status of its northern-most state of Jammu and Kashmir, the nation's only Muslim-majority province, and reduce it to two federally administered "union territories", had overtones of triumphalism and defensiveness. The first was driven by the victory at this year's polls for the Hindu nationalist Bharatiya Janata Party (BJP) fashioned by Prime Minister Narendra Modi and his most trusted political ally, party chief Amit Shah, who was subsequently elevated as the nation's Home Minister. The defensiveness is on account of the deteriorating ground situation in insurgency-hit Kashmir Valley, which the BJP has not succeeded in stemming.

A resident walking past Indian paramilitary troopers standing guard during a lockdown in Srinagar on Oct 29. PHOTO: AFP



Reassuring signs from Xi-Modi summit

The summit in November between Chinese President Xi Jinping and India's Prime Minister Narendra Modi in the southern Indian coastal town of Mamallapuram was a comforting encounter between the leaders of Asia's two largest nations. Given the nature of the meeting - an informal summit - no formal statements were issued after Mr Xi departed. However, it is a fair bet that the two men now have a far better understanding of each other's concerns. The two have now met some 18 times. If the Wuhan summit between them last year notably resulted in the leaders providing "strategic direction" to their respective militaries to de-escalate tension at the tri-junction of their borders with Bhutan, the meeting in Mamallapuram might be remembered for the high-level mechanism to be established to discuss the thorny issues of trade, investment and services.



ST ILLUSTRATION: MANNY FRANCISCO



Police forensic officers working on a lorry, found to be containing 39 dead bodies, at Waterglade Industrial Park in Grays. PHOTO: AFP

Plight of migrant workers from Vietnam, and elsewhere

In late October, the remains of 39 Vietnamese were found at the back of a refrigerated truck near London, after the container was smuggled into Britain from Belgium. The youngest of the victims, most of whom had left poorer rural villages in search of work, was 15. While the British police charged two people with manslaughter over the incident, two more arrests were made in Vietnam for human trafficking. Most of the victims are thought to come from central Vietnam, where easy-to-find brokers help to arrange trips to Europe – often via Russia – for migrants hoping to earn money overseas. The tragic saga shed a grim light on global human smuggling networks and the dangerous journeys that the poor of Asia, Africa and the Middle East undertake to reach European countries in search of jobs and a better future.



Sri Lanka's new President Mr Gotabaya Rajapaksa (right) and his Prime Minister brother Mahinda Rajapaksa, after the ministerial swearing-in ceremony in Colombo on Nov 22. PHOTO: AFP

Return of Rajapaksas

The Rajapaksa brothers, best known for defeating the separatist Tamil rebels, have returned to rule in Sri Lanka. Gotabaya Rajapaksa was sworn in as president of Sri Lanka on Nov 18 and his brother Mahinda Rajapaksa has been appointed prime minister. The president was Defence Secretary when his brother, who is now PM, ruled the country from 2005 to 2015. In one of his first interviews to a leading Indian paper, Sri Lanka's new President warned India and other potential investors that Colombo will be forced to seek finance from China again if they do not invest in the island. Sri Lanka became close to China during Mahinda's tenure.

Terror attacks on worshippers

The terrorist attacks on worshippers in two New Zealand mosques in March, that killed 51 people, carried out by a white supremacist, revealed the often overlooked but nevertheless lethal dangers of Islamophobia. A rambling manifesto produced by Brenton Harrison Tarrant, the alleged Christchurch shooter, proclaimed a defiant desire to defend against “invaders”, to deepen division and start a civil war in the United States. Identifying himself as a white supremacist and a fascist, he claimed he wanted to avenge attacks in Europe perpetrated by Islamist militants. The tragic developments in Christchurch were followed by Easter Sunday bombings in Sri Lanka a month later, on high-end hotels and churches holding Easter services. A Sri Lankan official said the Islamic State in Iraq and Syria (ISIS) claimed responsibility for the coordinated blasts that killed at least 321 people.

Friends of a missed man mourning outside a refugee centre in Christchurch, New Zealand. PHOTO: AAP



Outlook 2020



US President Donald Trump and Vice-President Mike Pence at campaign rally in Sunrise, Florida, in November. America's next presidential election will be one of the most watched international events in 2020. PHOTO: AP

GLOBAL AFFAIRS

Turmoil in the US spells trouble for all

On Nov 3, the United States kicked off the one-year countdown to Election Day 2020, with President Donald Trump betting that he will be back for a second term. Alongside, the Democratic battle to win back the White House marched ahead with four contenders leading the fray: former vice president Joe Biden, Senator Bernie Sanders, Senator Elizabeth Warren and Mayor Pete Buttigieg. New York Mayor and Bloomberg CEO Mike Bloomberg is a recent entrant. Polls point to a close race. A projection by the University of Virginia political science team shows each party leading in states totalling 248 electoral college votes, 22 short of the 270 electoral votes needed for a win. But the looming clash could be further fuelled by the House of Representatives impeachment inquiry into Mr Trump, ensuring another year of sharp division, in the country.

The great worry is the impact that US domestic politics has on an already troubled world. A distracted and besieged President may not be best positioned to deal with foreign crises. It could also tempt others to extract whatever advantages from it, be it in trade wars or nuclear arms talks. In volatile situations, the best calculations can go awry. The contest of wills now under way in the US could very well end up severely disrupting the rest of the world in the process.

Missiles and mistrust

The demise of a Cold War-era missile treaty between the United States and Russia has had the sudden and severe consequence of bringing a new arms race to Asia's door, adding another dangerous dimension to the deepening US-China rivalry. In August, the US exited the 1987 pact that barred both Washington and Moscow from the production, flight testing and possession of conventional and nuclear-capable missiles with a range of 500km to 5,000km. Days later, US Defence Secretary Mark Esper announced that the Pentagon would like to deploy, "within months" in Asia, new missiles already in development. China lost little time in warning the US allies in the Asia-Pacific - including Japan, South Korea and Australia - against hosting the US missiles, saying it would be "forced to take counter-measures" in such an eventuality.



ST ILLUSTRATION:
CHNG CHOON HIONG

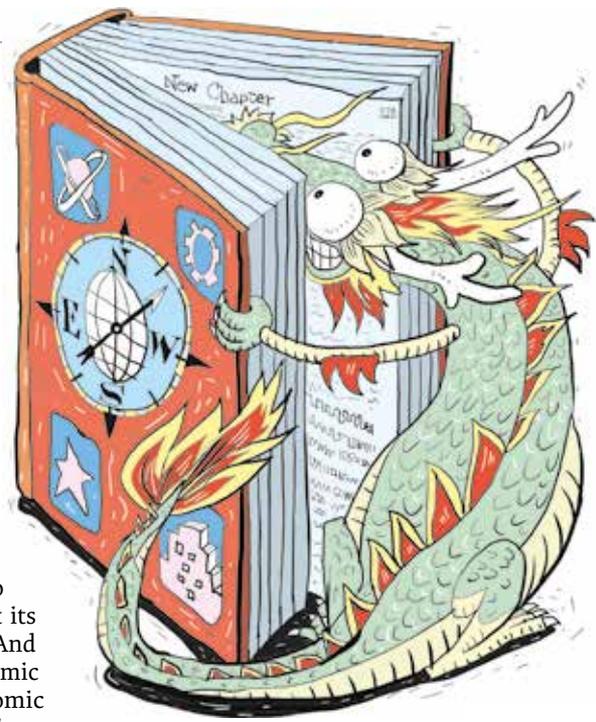
Adapting to a new and future China

China's display of its military might as it marked 70 years of Chinese Communist Party rule in October underscored the country's new strength and power, even as its relationship with the United States remained fraught with uncertainty. What appears to spook the US and the West is not just China's growing military and economic strength, but that this rising power's value systems are also so different from theirs. President Xi Jinping's rollback of some political reforms such as term limits on the presidency and tightening of party control over society have not helped matters. An undemocratic China propagating its values abroad is seen as presenting a threat to US interests abroad.

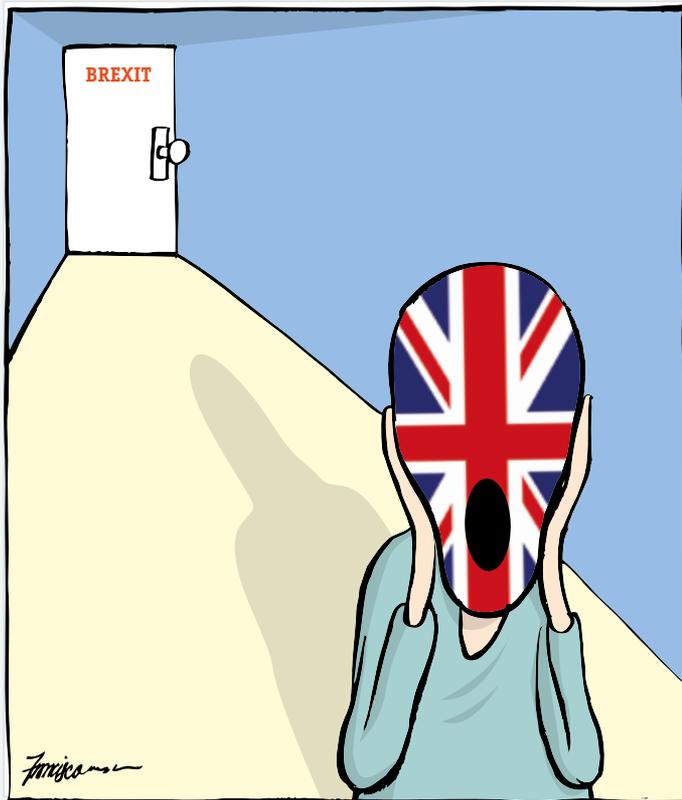
Yet the picture is not so black-and-white or dire. China under the CCP has shown it is committed to its path of socialism even as it adopted market practices. The Leninist model of centralised political control and

a one-party state will remain for some time yet. The majority of citizens also agree that making China great takes priority over political freedoms. But China also remains assertive in the South China Sea and its Belt and Road Initiative to increase trade has raised questions.

But China and its leadership have evolved in their own way and are pragmatic about what policy shifts need to be made, and when. Will China move closer to the European Union in 2020, to deal with the trade imbroglio that its discussions with the US present? And will it be able to sustain its economic growth, that impacts the economic future of other countries? These are issues that the world will be watching for, and learn to live with and adapt to.



ST ILLUSTRATION: CEL GULAPA



ST ILLUSTRATION: MANNY FRANCISCO

UK elections will be a chance to break the deadlock

Halloween, marked on Oct 31, was supposed to be the day that Britain exited the European Union. That day came and went and, instead of Brexit, Britain is headed for one of the most consequential and most unpredictable general elections in recent history. On the tortuous road since the 2016 referendum, the Dec 12 election is a high-stakes landmark for the future of its key protagonists and the future of Britain, whatever its outcome. For Prime Minister Boris Johnson, the election offers a chance to gain a fresh mandate and working majority to pursue his Brexit goals. For the Labour Party, the stakes are perhaps even higher. It goes into an election with a far-left leader in Jeremy Corbyn, a muddled message on Brexit and a deeply divided party. The hope is that just as a way was found to agree on an election, Britain will use the chance to break out of its winter of discontent.

For British Prime Minister Boris Johnson, the Dec 12 election offers a chance to gain a fresh mandate and working majority to pursue his Brexit goals.
PHOTO: PA WIRE





Japan prepares for Olympics

Japan will host the Tokyo Olympic Games from July 24 to Aug 9 next year, before the Paralympics which will take place from Aug 25 to Sept 6. It is set to be the biggest Olympics yet, featuring a record 33 sports over 339 events at 43 venues. Tokyo has sought to keep a lid on a swelling budget by tapping existing venues as far as possible. While its budget was 700 billion yen (\$8.8 billion) when it made its winning bid to host the Games, spending is now expected to hit 1.35 trillion yen. Olympic chiefs have already rolled out everything from misting stations to flowerbeds to beat the heat at next year's games, and even plan to test the use of artificial snow to keep spectators and athletes cool.

The Tokyo Aquatics Centre, which will host the swimming events at the 2020 Olympics and Paralympics, is unveiled to the media.

PHOTO: JAPAN NEWS, YOMIURI SHINBUN

Keeping global institutions relevant

Creatures of the 20th century, the key marshals of globalisation appear out of step with the world today. It is true that the International Monetary Fund (IMF) and the World Bank, celebrating their 75th anniversary this year, have succeeded in their topmost mission: there has been no global depression since they were founded. But a key question insistently nips at their heels: Can these organisations carry the world through the next crisis?

Alarm bells have been sounding. Growth worldwide is flagging for the lack of new drivers while the endemic ills – inequality of income, low productivity and stagnating wages – defy solutions. Volatile politics, nationalism and protectionism compound the inability to address the problems. But worst of all, there is complacency of sorts, an assumption that the prosperity of the prior decades – which ensured that more people now live in middle-class or rich households than poor ones – will somehow perpetuate itself.

In many countries, globalisation has lost its shine and trade is in decline. After growing by only 3 per cent in 2018, against the forecast of 3.9 per cent, it is predicted to fall to 2.6 per cent this year. The IMF, meanwhile,

has slashed GDP growth forecasts for Singapore as well as most other Asian economies for this year and next year relative to its estimates in April.

Clearly, a new way forward has to be found, and this should start with internal reforms to the organisations themselves.

ST ILLUSTRATION:
MANNY FRANCISCO



Asia: Real GDP

Asian economies will grow at 5 per cent this year, according to the IMF, which will be the region's slowest expansion since the global financial crisis of 2008.

	Estimates and latest projections (Y-O-Y % change)					Difference from April '19 World Economic Outlook	
	2016	2017	2018	2019	2020	2019	2020
Asia	5.6	5.7	5.5	5.0	5.1	-0.4	-0.3
Advanced economies	1.6	2.5	1.8	1.3	1.3	-0.4	-0.3
Australia	2.8	2.4	2.7	1.7	2.3	-0.4	-0.5
New Zealand	4.2	2.6	2.8	2.5	2.7	0.0	-0.2
Japan	0.6	1.9	0.8	0.9	0.5	-0.1	0.0
Hong Kong	2.2	3.8	3.0	0.3	1.5	-2.4	-1.5
South Korea	2.9	3.2	2.7	2.0	2.2	-0.6	-0.6
Singapore	3.0	3.7	3.1	0.5	1.0	-1.8	-1.4
Emerging markets and developing economies (EMDEs)	6.7	6.6	6.4	5.9	6.0	-0.4	-0.3
Bangladesh	7.2	7.6	7.9	7.8	7.4	0.5	0.4
Brunei	22.5	1.3	0.1	1.8	4.7	-3.0	-1.9
Cambodia	6.9	7.0	7.5	7.0	6.8	0.2	0.1
China	6.7	6.8	6.6	6.1	5.8	-0.2	-0.3
India	8.2	7.2	6.8	6.1	7.0	-1.2	-0.5
Indonesia	5.0	5.1	5.2	5.0	5.1	-0.2	-0.1
Laos	7.0	6.8	6.3	6.4	6.5	-0.3	-0.3
Malaysia	4.4	5.7	4.7	4.5	4.4	-0.2	-0.4
Myanmar	5.2	6.3	6.8	6.2	6.3	-0.2	-0.3
Mongolia	1.2	5.3	6.9	6.5	5.4	0.2	0.5
Nepal	0.6	8.2	6.7	7.1	6.3	0.6	0.0
Philippines	6.9	6.7	6.2	5.7	6.2	-0.8	-0.4
Sri Lanka	4.5	3.4	3.2	2.7	3.5	-0.8	-0.5
Thailand	3.4	4.0	4.1	2.9	3.0	-0.6	-0.5
Vietnam	6.2	6.8	7.1	6.5	6.5	0.0	0.0
Asean	4.9	5.3	5.2	4.6	4.8	-0.4	-0.3
Asean-5*	4.7	5.1	4.9	4.3	4.5	-0.5	-0.3
EMDEs excluding China and India	5.1	5.5	5.5	5.1	5.2	-0.3	-0.2

*Asean-5 comprises Indonesia, Malaysia, Philippines, Singapore and Thailand.

Source: INTERNATIONAL MONETARY FUND
STRAITS TIMES GRAPHICS



2019 ASEAN-Republic of KOREA Commemorative Summit

Nov. 25-26, 2019 Busan, Republic of Korea



Asean trains sights on trade and security

In the midst of a gathering geopolitical storm, South-east Asia's 52-year-old grouping made the call to proceed with two ambitious and far-reaching endeavours that will cement the region's topmost priorities: trade and security. Meeting in Bangkok in November, Asean leaders signalled their commitment to press on with the Regional Comprehensive Economic Partnership (RCEP), a new mother lode for the region's export-driven economies. Proposed in 2012, the RCEP aims to link the region with China, Japan, South Korea,

Australia and New Zealand to form one of the world's largest trading pact. If initialled in 2020 – it would count as a significant achievement.

Asean's other decision – to spell out its position on the Indo-Pacific policy advanced by the United States – is also noteworthy. At the minimum, Asean's Outlook on Indo-Pacific statement sends a message that it intends to keep its own interests to the fore while the US and China work to come to terms with each other. And this will be put to test, next year, as the two countries wrangle for greater influence.

Ministers posing for a group photo during the ASEAN-Republic of Korea Commemorative Summit in Busan. PHOTO: AFP

Streaming wars in Asia

With the number of Asian viewers set to grow, multinational giants are vying for their eyeballs and taking on homegrown brands in a battle for dominance. Apple Inc's Apple TV+ and Walt Disney Co's Disney+ have been launched as competitors to streaming video pioneer Netflix Inc. The new streaming age of television will arrive in 2020, with studios now making big-budget fare for the smallest screens, says the Economist. Consumers will not want a dozen subscriptions, so the few firms offering the best overall deal will win the streaming wars, but smaller competitors will fail.



PHOTO: REUTERS

ELECTIONS

Singapore elections

Singapore is expecting the next general election to be held in 2020, although the dates have not been confirmed as yet. The Electoral Boundaries Review Committee was convened in August, marking the first step towards Singapore's next general election but several more are needed before the election can be called, including the release of the electoral boundaries report. In the elections, the ruling People's Action Party (PAP) will have to convince voters that the current slate of leaders has what it takes to carry Singapore into the next lap. Singapore's main opposition party, the Workers' Party, meanwhile, goes into the general election with fresh blood at the top, while the Singapore Democratic Party has declared that it aimed to contest five constituencies that it lost to the PAP in the previous GE.



New polling booths for next general election. ST PHOTO: KUA CHEE SIONG



Banners showing Taiwan's President Tsai Ing-wen are on display near Tsai's campaign rally in Taipei. PHOTO: EPA-EFE

Taiwan elections

Taiwan's election campaign has kicked into high gear with a new president and Parliament to be elected on Jan 11. President Tsai Ing-wen is seeking a second term against Kaohsiung Mayor Han Kuo-yu from Taiwan's Kuomintang (KMT), who favours warmer ties with Beijing. China has ramped up Taiwan's isolation ever since Ms Tsai took office three years ago because her party refuses to acknowledge that Taiwan is part of "one China."

Myanmar elections

The National League for Democracy (NLD), the military-aligned Union Solidarity and Development Party (USDP) and ethnic parties in Myanmar are gearing up as Myanmar counts down to next year's general election. Two new parties in Myanmar have also emerged. One is filled with former student activists who rose against the ruling junta in 1988 – but decided to stand apart from the governing National League for Democracy. The other is packed with former generals and led by a retired officer said to have been a close associate of former regime leader Than Shwe. The upcoming election is also looking to be a Facebook dominated one, as the platform is the primary source of online information in Myanmar, where digital literacy remains low but new mobile phones come pre-installed with the application.



A Rohingya refugee grieving over his dead son after crossing the Naf river from Myanmar into Bangladesh in Whaikhyang. PHOTO: AFP



ST ILLUSTRATION: CEL GULAPA

SUSTAINABILITY

World needs a climate of change

“You have stolen my dreams and my childhood with your empty words,” said teenage climate change activist Greta Thunberg at this year’s United Nations Climate Action Summit. Her condemnation of world leaders for failing to take strong measures to combat climate change highlighted the grim reality that mankind is hurtling down the path of self-harm, approaching milestones of environmental

ruin at increasing speed. That issue will be further in the limelight with a key deadline looming. Governments have promised to update their climate pledges by 2020, when the Conference of the Parties or COP will be held in Glasgow, reports the BBC. But so far, despite the urgings of scientists, major improvements in pledges have been slow to materialise.

Growing e-waste awareness

From a focus on plastic waste, environmental observers are increasingly turning their attention to the more pressing issue of electronic waste. The numbers are astounding; 50 million tonnes of e-waste are produced each year, and left unchecked this could more than double to 120 million tonnes by 2050. According to research by the United Nations University, Asia generates most of the world’s e-waste. Tackling this issue is becoming a priority for a number of global agencies - including the International Telecommunication Union (ITU), the International Labour Organization (ILO), the United Nations Environment Programme (UNEP) and other members of the E-waste Coalition.



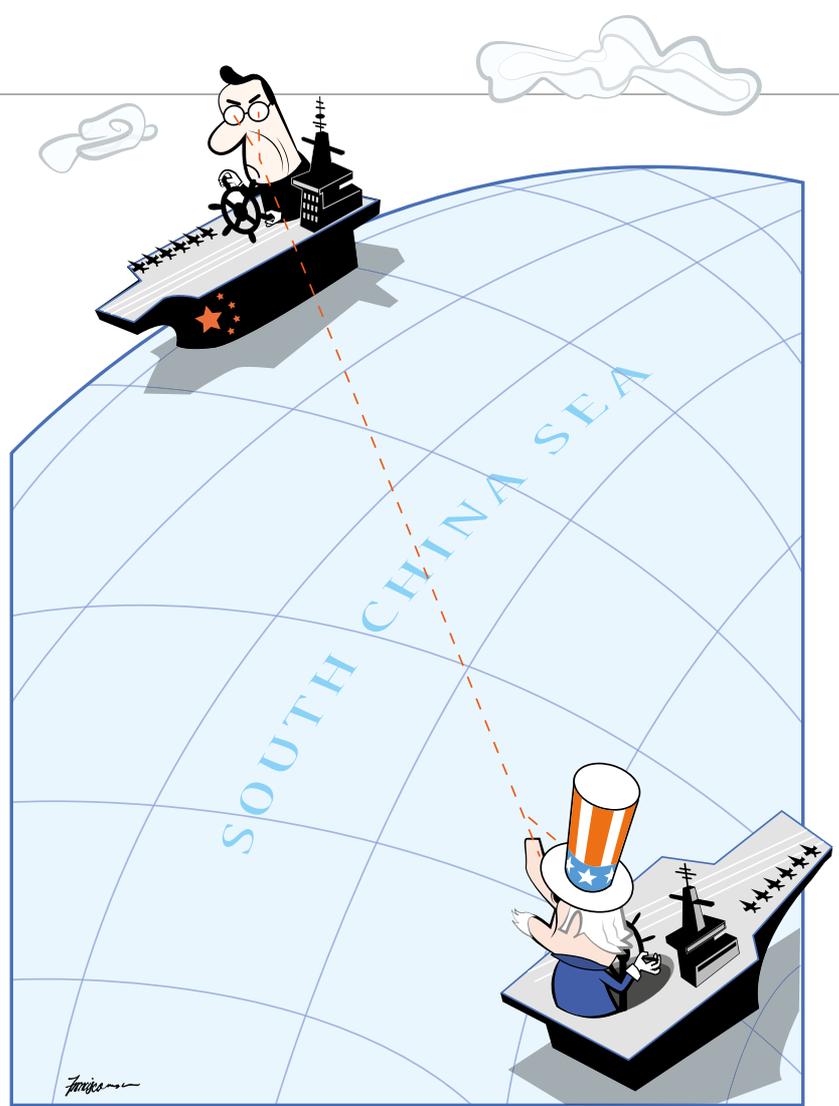
Each year, about 11kg of electrical and electronic waste (e-waste), equal in weight to 73 mobile phones, is disposed of per person in Singapore. PHOTO: NG SOR LUAN

THREATS

US and China to increase activity in South China Sea

A leading scholar on China-US relations writes that the China-US competition for Asian supremacy will ratchet up significantly next year, with the South China Sea being a key flashpoint. Oriana Skylar Mastro, an assistant professor at Georgetown University wrote in *The Economist* magazine that China could establish more outposts on the Spratlys and “occupy” Scarborough Shoal with an unmanned drone. The shoal, which the Philippines claims, has been marked as a red line by the US due to its proximity to the Philippine capital, Manila, and US military assets.

China could also boost the military capabilities of its island holdings in the Spratlys along with the Paracel island group, or “declare greater restrictions over other countries’ freedom of navigation,” wrote Mastro. In response, the US will have to show greater fortitude and demand more of the other five countries that claim territory in the South China Sea, she wrote. “Both China and America will be willing to take greater risks to gain advantage. It is only a matter of time before this security competition in the South China Sea spills over into a crisis,” Mastro said.



ST ILLUSTRATION: MANNY FRANCISCO



A drone and missile attack on Sept 14 in Saudi Arabia knocked out more than half of the top global exporter's output. PHOTO: REUTERS

Risks to global energy supply shoots up with drone attack

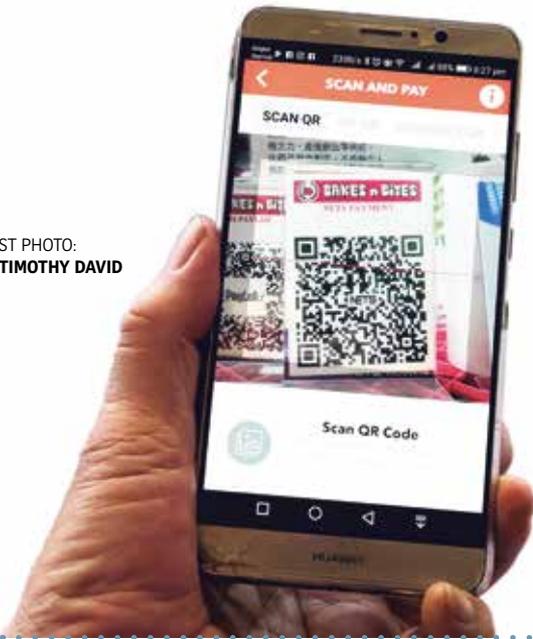
This year saw the biggest-ever supply disruption in the oil market after Yemen's Iran-aligned Houthi group launched a drone and missile attack on Sept 14. The pre-dawn attack in Saudi Arabia knocked out more than half of the top global exporter's output: 5 per cent of the world's oil supply or about 5.7 million barrels per day. The drones used in the Sept 14 attack were highly sophisticated, able to avoid radar detection and hit their targets with precision. The attack not only raised questions about the future security and reliability of Saudi oil supplies, which could be subject to major disruptions, but also how the third-highest defense spender was able to fall prey to a drone and missile attack that wiped out half of its crude production in a day.

TECHNOLOGY

Cashless payments

The trend of cashless payments is picking up in various parts of Asia, with more and more people using their phones to make payments. According to Google, Temasek and Bain, the adoption of digital payments in South-east Asia has reached the inflection point and is expected to cross US\$1 trillion by 2025, accounting for almost one in every US\$2 spent in the region.

ST PHOTO:
TIMOTHY DAVID



AI can deliver new growth



A robot from the Artificial Intelligence and Intelligent Systems (AIIS) laboratory of Italy's National Interuniversity Consortium for Computer Science (CINI) is displayed at the 7th edition of the Maker Faire 2019. PHOTO: AFP

More and more countries and companies are taking to Artificial Intelligence (AI) to improving efficiency and productivity gains. Leading global market intelligence firm IDC and American market research company Forrester say that by 2024, AI will be integral to every part of the business, resulting in 25 per cent of the overall spend on AI solutions. What AI does is to multiply the productive value of technology itself by aligning it with human reasoning and skills in a way that was unimaginable earlier. It's impact on jobs will be a subject of debate.

Living better with robots at hand

Robots could be the answer to manpower crunches across Asia as AI takes over the most repetitive chores. Already advancements in robotic technology has helped improve the lives of humans. From talking kitchen gadgets that enable the blind to cook safely, to apps that help people with Down syndrome navigate the world, inclusive technologies aid communities in tackling the tasks of living and gaining more independence. Japanese company Cyberdyne has already built robotic arms and legs that help the elderly move around. Killer robots are still the stuff of science fiction for now but in the near future, robots are the killer app that humans will need to live well and better.



A robot interacts with a woman during the "Speed Dating with AI - Meet the Robots at AI Days" at the Hammerbrooklyn Digital Campus, Hamburg. PHOTO: DPA



Navya self-driving shuttle bus at the CETRAN Autonomous Vehicle Test Centre. ST PHOTO: GAVIN FOO

Autonomous vehicles put to the test

Singapore has moved boldly to make all of western Singapore a test bed for self-driving vehicles. Lessons learnt from operating the Autonomous Vehicles (AVs) could be applied to the rest of the country before the planned pilot deployment of AVs in the early 2020s. Efforts are also underway to ensure that the technological sophistication and in-built safeguards of such vehicles match up to the challenge of operating in an environment that will test not only the AVs themselves but also their capacity to respond to errant behaviour by other AVs, drivers and pedestrians.



ST ILLUSTRATION: MANNY FRANCISCO

The scourge of fake news

From Brazil to India, to Myanmar and Sweden, the very real impact that fake news spread on social media and dubious websites has had on elections and societies makes plain that this phenomenon cannot be shrugged off. And the problem is set to get aggravated in the coming year with US elections due next year. The spotlight will increasingly rest on efforts to counter fake news, particularly what governments do to act against those who deliberately seek to mislead or sow discord, for whatever purpose.



Indian Space Research Organisation's (ISRO) Chandrayaan-2 (Moon Chariot 2), with the Geosynchronous Satellite Launch Vehicle (GSLV-mark III-M1) on board, being launched from the Satish Dhawan Space Centre in Sriharikota, an island off the coast of southern Andhra Pradesh state. PHOTO: AFP

SPACE

China & India's space missions

Space missions, by their nature, constitute the most complicated frontiers of scientific endeavour and have to be organised around unfamiliar coordinates of gravity, velocity and much else. But that seldom deters several nations from trying. China recently successfully completed a crucial landing test in northern Hebei province that will allow it to proceed with a historic unmanned exploration mission to Mars next year. The journey to Mars is expected to take about seven months, while the landing would take about seven minutes. India, meanwhile, will make another attempt to land on the Moon in November, 2020. It's bid to do so this year failed when the Chandrayaan 2 mission, which was launched on July 22 did not go as planned and the Indian Space Research Organisation lost contact with the Vikram Lander minutes before its attempted soft-landing on the moon.

Sources: The Straits Times, Economist, Forbes, Washington Post, BBC, World Economic Forum, Reuters.

Still waiting for the Asian Century



ASAD LATIF

For The Straits Times



MANY ASIANS HAD HOPED THAT THE 21ST century would be named after their continent. The previous century, marked by two horrendous world wars, had witnessed the triumph of Pax Americana – the American peace – after the implosion of the Soviet Union had ended the Cold War. The 19th century had marked the ascendancy of Pax Britannica. Surely, Asians should have a chance of inaugurating the Pax Asiatica.

However, those hopes remain unfulfilled as the second decade of the century draws to a close. Quite apart from North Korea, which threatens to upset the balance of power in North-east Asia dramatically, there are few signs that China, Japan and India – which would have to be the chief actors in the Asian Century, moving in concert with the United States, Russia and Australia – are shaping up to be the pillars of a new peace.

Asean, with its substantial population, geography and economy but without the military clout to threaten others, could have served to stabilise relations among the great and middle Asian powers. That role remains one for the future.

The key reason for the deferment of the Asian Century is that the key actors do not see themselves as peer powers. Instead, the United States is

determined to prevent China from exercising preponderant power in the Indo-Pacific region. The trade war between the two countries embodies a strategic attempt to contain the economic basis of Chinese military power. China, on its part, appears to prefer an “Asia-for-Asians” scenario that would exclude the United States ultimately.

Neither China nor Japan is willing to acknowledge the other as No. 1 even in an Asian-only pecking order. China is unlikely to countenance India as a peer Asian power and seeks instead to tie it down in South Asia, sharpening Indian fears of Chinese clout. Australia is playing a delicate balancing game between the United States, of which it is a treaty ally, and China, its rising economic partner.

The Indo-Pacific security architecture is incomplete because its economic and strategic aspects are discordant. While many countries in the region have embraced China’s Belt and Road Initiative, its ambitious plan to bring Asia and Europe closer economically, they worry about being able to cope with the consequent spread of China’s strategic influence.

All this is a pity. The Indo-Pacific is large enough to accommodate the legitimate interests and aspirations of its leading players. What is true is that Pax Asiatica cannot be characterised by the hegemony of any single country or even an alliance among some of them. The distribution of power among nations discounts that possibility.

The only alternative is to work towards a concert of powers in the Indo-Pacific – if Asia’s time is ever to arrive.

The writer is a former Straits Times journalist.

PHOTO: AFP



Opinion

Singapore must build bridges as walls come up

If countries wall up, or if there is a new Iron Curtain, the cost to Singapore will be significant, because trade is our lifeblood, said Deputy Prime Minister Heng Swee Keat at The Straits Times Global Outlook Forum.

ST PHOTO: JASON QUAH

Trade is Singapore's lifeblood and diversity its strength. For these reasons, it must continue to seek connections even as the world becomes more divided, says Deputy Prime Minister and Minister for Finance Heng Swee Keat at The Straits Times Global Outlook Forum on Nov 22. This is an edited excerpt of his keynote speech.

AS WE CLOSE A VERY EVENTFUL 2019, MANY OF us look to 2020 with both hope and anxiety.

Let me add some historical context to our discussion. Because this month 30 years ago, the Berlin Wall fell. This was a significant moment, not just for Europe, but the whole world. It marked the end of the Cold War.

There was a sense of triumphalism and even hubris among Western liberal democracies. They believed that the world would henceforth have no alternative to the values of Western-style democracy, civil liberties and capitalism. Francis Fukuyama went as far as to call it "the end of history." But the world did not turn out that way.

True, the end of two blocs enabled a freer flow of people, goods and services. But the world we are in today is still marked by conflicts, divisions

and differences.

The Berlin Wall came down, but other walls went up.

THREE WATERSHED EVENTS

Let me talk about three watershed events that have brought underlying fault lines to the fore, and caused new walls to be erected.

The first is Sept 11, 2001. The attacks were devastating, and left a deep and profound impact on our psyche and worldview, even for those who were not directly affected by the event.

It changed our approach to security, and how we deal with religious extremism and non-state actors. It also fractured many societies and turned communities, some which had lived side by side for decades, against one another.

Walls along ethnic and religious lines were erected – between nations and within societies.

Almost two decades since the 9/11 attacks, these divides have not gone away. Conflicts along racial and religious lines have intensified. Through social media, these divides have been amplified. Some segments of society have now retreated into exclusive circles and echo chambers and are no longer able, or willing, to see the views of those who are different from or who disagree with them.

The second event is the Global Financial Crisis in 2008.

FRAYING SOCIAL COMPACT

That was the worst global recession since the Great Depression. It exposed the imperfections of capital markets. The hubris that followed the fall of the Berlin Wall unravelled. It was followed by the Occupy Movement that started in Wall Street, but was replicated in many parts of the world, including Asia. It was a protest against the greed and recklessness of the elites, and the governments that bailed them out.

While the global economy has recovered, the benefits of growth continue to be unevenly distributed. The playing field has become more uneven due to globalisation and technology. With digital technologies, where the winner takes all, the pressure will intensify. Jobs and livelihoods are being disrupted.

Governments around the world have not done enough to address this. The unhappiness is now

boiling over. We see these played out in the Yellow Vest movement in France, Brexit in the UK, unrest in Chile; and protests in Hong Kong – which have turned increasingly violent.

The social compact is fraying in many societies. The gap between those with the resources and skills to thrive and those without is widening. If left unaddressed, this would lead to worsening social unrest, making cities and states ungovernable.

US-CHINA CONFLICT

The third event is the dramatic escalation of US-China competition this year.

Global economic growth has dampened. Singapore avoided a technical recession in the third quarter, and our growth in 2020 is expected to pick up modestly.

The latest talk of a “Phase 1” limited trade deal offers some respite, but both sides are still quite far from a new model of constructive cooperation.

The US-China conflict is not just about trade. It is a strategic competition between two major powers – the incumbent and an emerging one – for global influence and leadership.

It is also about differences in their systems of governance and how their societies are organised, which stem from their own histories, cultures and values. And how they should share global responsibilities and opportunities, in areas like trade and climate change.

The bifurcation of technology and supply chains is a real possibility. The implications would be far greater now than during the Cold War because in the decades since, our economies, our societies have become increasingly intertwined.

The free, open and rules-based international order is under stress. If countries wall up, or if there is a new Iron Curtain, the cost to Singapore will be significant, because trade is our lifeblood and multilateralism is how small countries like us can have a place in the world.

It has been 30 years since the fall of the Berlin Wall, but many more walls have come up, between the competing major powers, and also within societies, across cultural, social and economic lines.

Looking ahead, our world will remain fragmented, volatile and uncertain. How should Singapore respond?

STAYING UNITED

Navigating the challenges will not be easy. We have to go against the current tide as we cannot afford to be a walled community. Our economy must remain open because trade is our lifeblood. Our society must also remain open because diversity is our strength.

In short – in a world of walls, we must build bridges.

To do so, we must stay united as one people, we have to renew and strengthen our social compact, we need to work with like-minded partners, especially in our region, to keep our world open.

We have come a long way as one people. A mosque in Joo Chiat has been distributing oranges to its neighbours for Chinese New Year for more than 20 years. Earlier this year, a church hosted members of

the Muslim community to an iftar in their church during Ramadan. Just last week, I witnessed a Teochew foundation donate millions of dollars to an arts college founded by a Catholic order.

Collaboration across races and religions may be a common sight in Singapore. But it is not the case in other parts of the world today.

We too had to learn cohesion the hard way. Our early days of nationhood were marked by racial tensions, and our diverse cultures and ethnicities mean that our social fabric continues to feel the tugs and pulls of events happening in other parts of the world.

Therefore, we must never let our guard down, especially when the world around us has become increasingly polarised.

Over the years, we have taken deliberate steps to strengthen cohesion. These include:

- Institutional structures, such as the Inter-Religious Organisation, which strengthens understanding and trust across different faiths;
- Policies – such as the Ethnic Integration Policy for HDB flats – to improve social mixing; and
- Legislation to deal with hate speech and misinformation.

The aim of these policies is not to minimise or paper over our diversity. We want to prevent walls from being erected and instead create more common space for our peoples to share their experiences and views, to deepen mutual understanding and respect. In this way, our differences will become a source of strength, and not a source of fear and division.

This is also why I launched the Singapore Together movement earlier in June; to create more opportunities for Singaporeans to come forth and build our society; to harness the passion, creativity, and can-do spirit of our people to build our future Singapore.

Because Singaporeans today are more diverse than ever before – we have different hopes and dreams for Singapore, and harnessing this can be a great strength.

We want to work with Singaporeans so that we can bring everyone together, expand our common space, and harness our diversity as strength; so that we build up a reservoir of mutual trust and respect, that will allow us to collectively navigate the challenges and uncertainties ahead.

PROGRESSING TOGETHER

To stay united as one people, we must progress together so that every individual has the opportunity to build and enjoy a better life, for themselves and their children. This is a basic premise that underpins every society.

And when it frays – when people lose hope in the future – their trust in society breaks down.

To give everyone a stake in our future, we must continue to transform our economy and businesses. We need a strong economy to remain relevant globally, to create good jobs for the broad majority, and to have the resources for our development.

Given how small we are, we would be inconsequential if we were not economically successful.

To keep our economy vibrant and growing, we have to build good connectivity with Asia and the

Companies like Tokopedia and Gojek from Indonesia are unicorns; Vietnam has built its own 5G network and is even looking to export this to its neighbours; the start-up scene is buzzing in cities like Jakarta, Bangkok and Ho Chi Minh City. Asean member states are coming together to support each other, and to grow and develop to create new opportunities.



With digital technologies, where the winner takes all, the pressure will intensify. Jobs and livelihoods are being disrupted. Governments around the world have not done enough to address this. The unhappiness is now boiling over. We see these played out in the Yellow Vest movement in France, Brexit in the UK, unrest in Chile; and protests in Hong Kong - which have turned increasingly violent.



world; leverage on our status as a trusted financial centre, with a strong rule of law; and build up frontier capabilities, such as the national artificial intelligence strategy.

At the same time, we must stay committed to investing in our people, to enable them to access these new economic opportunities. And we have done so – from preschool, to schools, to higher education, and lifelong learning.

But this alone is not enough, as not everyone is able to keep pace. Therefore, we have to strengthen our social safety nets to ensure housing, education and healthcare remain accessible and affordable to all, to do more for the vulnerable among us.

And our commitment to our people is that even as we create new opportunities, no one will be left behind, no one will be shut out. As long as they are willing to work hard, we will support them to make a better life for themselves and their families.

PARTNERING THE REGION

Finally, we need to work together not only as one nation, but also internationally with like-minded partners. In particular, we must be connected to our region.

Without a peaceful, stable and prosperous South-east Asia, Singapore will not do well either.

South-east Asia is a bright spot in the global economy, and our regional integration efforts have borne fruit. South-east Asia is projected to be the fourth largest economy by 2030, after the US, China and the EU.

With a growing middle class, the demand for goods and services will grow, ranging from online retail to hipster coffee. South-east Asia's digital and start-up economy is growing rapidly. The many success stories bear testament to this.

Companies like Tokopedia and Gojek from Indonesia are unicorns; Vietnam has built its own 5G network and is even looking to export this to its neighbours; the start-up scene is buzzing in cities like Jakarta, Bangkok and Ho Chi Minh City.

Asean member states are coming together to support each other, and to grow and develop to create new opportunities. Singapore will play our part in this.

As a region, Asean is working with other like-minded countries to keep the international system free, open and rules-based. We recently concluded negotiations on all 20 chapters of the Regional Comprehensive Economic Partnership (RCEP) and we hope to sign the agreement next year.

While India has decided not to be part of the RCEP for now, the RCEP is still a significant achievement. I very much hope that India will in time reconsider its position.

We have also been exploring other areas for collaboration, such as in sustainable development, a focus under Thailand's Asean chairmanship this year.

At the bilateral level, Singapore has been deepening our cooperation with South-east Asia.

Our leaders have regular exchanges – for example, we have annual Leaders Retreats with

Indonesia and Malaysia, and many opportunities to meet leaders of not just Indonesia and Malaysia, but all other Asean countries, when we make bilateral visits, at multilateral meetings and at forums such as this. Through these regular interactions, we have developed good personal understanding, so that even when there are difficult bilateral issues, we can discuss them amicably. This is crucial because we have more common interests than differences. Given the challenges confronting the region, we can achieve far more by working together, by focusing on opportunities that are presented to both sides and the challenges that we all have to resolve.

We are exploring cooperation in many areas, including the Kendal Industrial Park in Indonesia, the Singapore-Johor Baru Rapid Transit System Link, Vietnam-Singapore Industrial Parks, and the Singapore-Myanmar Vocational Training Institute in Yangon. But we can do more – not just at the G-to-G (government-to-government) level. We should do more in different spheres and across different levels.

All of us need to start thinking and acting regionally and globally, and there is much more we can do to venture into South-east Asia at the people and business levels.

For a start, we will better prepare and encourage Singaporeans to venture into South-east Asia, through study exchanges, work attachments and internships.

We will broaden the minds of our next generation in our schools.

First, language is critical to understanding culture, and accessing businesses and opportunities. So I am glad that MOE (Ministry of Education) recently announced enhancements to encourage students to deepen their learning of mother tongue languages.

And we are doing more to support students who are keen to pick up a third language, especially regional languages such as Malay and Bahasa Indonesia.

We will also work towards exposing more students to Asia and the region – through internships and overseas learning journeys.

Today, about half of our students from our institutes of higher learning participate in overseas trips. Many of these trips are in Asia. MOE is reviewing how we can further enhance our students' engagement in the region.

We will also provide opportunities for Singaporeans in their working years. We set up the Global Innovation Alliance to connect our people with their counterparts, and with tech and business communities.

So far, we have set up three nodes in South-east Asia – Jakarta, Ho Chi Minh City and Bangkok. We have 10 nodes in other parts of Asia, Europe and the US, and will continue to grow the Alliance.

We also welcome our regional partners to use Singapore as a base to explore the world, to build more bridges between our region and the rest of the international community.

CONCLUSION

To conclude, there are many uncertainties on the horizon, but I am confident that we can navigate them deftly, and turn the challenges into opportunities for Singapore and for the region. **ST**

End of the American order

The global order is breaking down, with the growing US-China tech divide posing the single biggest threat, says Ian Bremmer in his speech at Eurasia Group's Gzero Summit in Tokyo in November. Here are excerpts:

BEIJING IS BUILDING A SEPARATE SYSTEM OF Chinese technology – its own standards, infrastructure and supply chains – to compete with the West.

This is the single most consequential geopolitical decision taken in the past three decades. It's also the greatest threat to globalisation.

It wasn't supposed to be like this. Globalisation has lifted billions of people from poverty around the world. We now live longer, healthier and more productive lives than ever before. We are better educated and better informed than at any time in history.

So why are so many people so angry, and why is globalisation under unprecedented threat?

Because this is a moment of transformation, and uncertainty. In much of the world, the lightning-fast, cross-border flows of ideas, information, people, money, goods and services, the same forces that have created so much opportunity and prosperity, also generate fear.

THE GEOPOLITICAL RECESSION

When I started Eurasia Group in 1998, our clients were interested almost exclusively in the so-called emerging-markets countries, those that presented both big growth opportunities and unfamiliar political challenges.

I defined an emerging market as “any country where politics matters at least as much as economic fundamentals for market outcomes.” Countries like Japan, the United States, Canada and the leading nations of Western Europe offered a much more stable and predictable political landscape, but more modest opportunities for growth.

Those days are gone. The financial crisis of 2008 and the turmoil that followed have brought politics directly into the performance of economies and markets in even the world's richest countries.

We also face a growing number of transnational threats. The US-led global order is finished. So many of the dark clouds now hanging over us – from climate change to cyber conflict, from terrorism to the post-industrial revolution – move unchecked across borders, leaving national governments much less able to meet the needs of their citizens.

Today, it is not economics but geopolitics that has become the main driver of global economic uncertainty. The world has entered a “geopolitical recession”, a bust cycle for the international system

and relations among governments. It's a time when alliances, institutions and the values that bind them together are all coming apart.

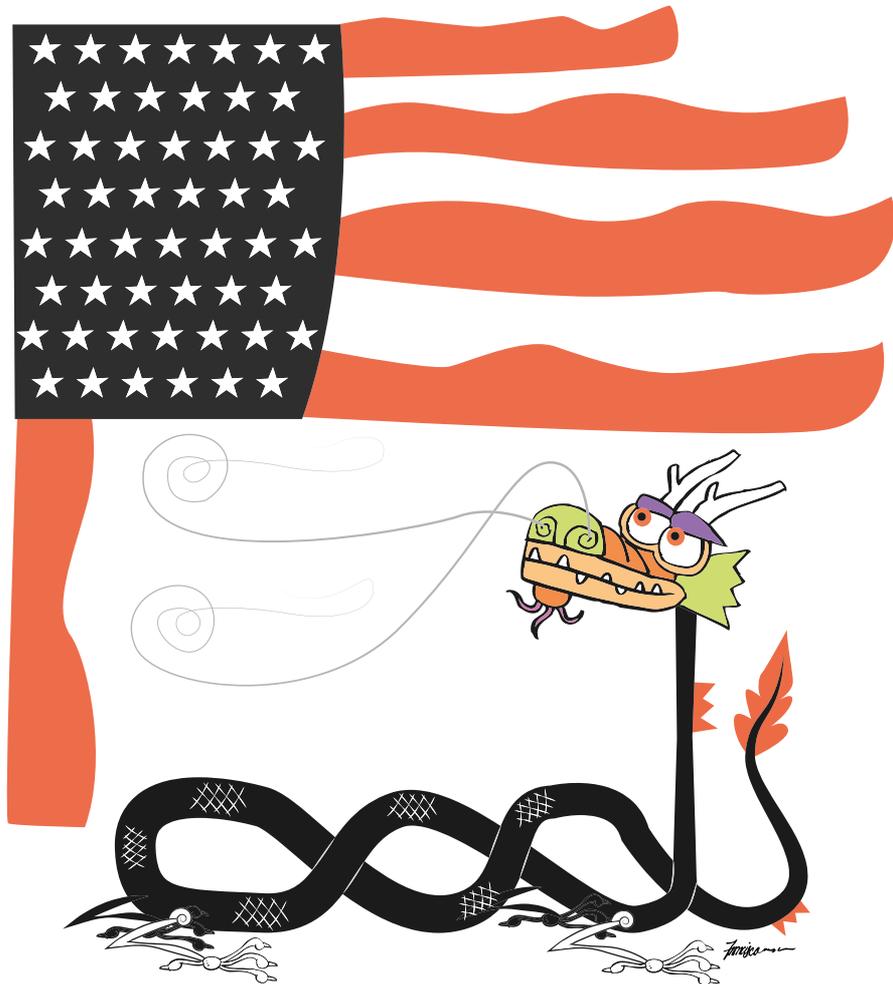
From a historical perspective, geopolitical recessions are both rarer than economic recessions and longer-lasting. We'll be living in this geopolitical recession for at least a decade to come.

How did we get here?

Economists tell us that the process of “creative destruction” fuels the engine of growth that builds

IAN BREMMER

For The Straits Times



ST ILLUSTRATION: MANNY FRANCISCO

Americans don't want to run the world. They haven't for a long time. And with each passing year, there are fewer Americans old enough to remember the Cold War, to say nothing of World War II. The reluctance of the US as a superpower creates a global vacuum of leadership.



the future, and history says that's true. But lives and livelihoods are destroyed in the process, and growing numbers of people say their government is either powerless to help them manage or doesn't care what happens to them. Resentment of elites is on the rise in every region of the world. This creates opportunities for a new breed of populist who offers scapegoats and promises of protection. These politicians did not invent this problem. They're just profiting from it.

And the greatest worry is this: All this anger is building in good economic times. What happens when economies start to slow?

History shows that governments that are unpopular at home are more likely to make trouble abroad, especially with their neighbours, to rally public support and divert attention from domestic troubles. That breeds less trust among governments. The risk of misunderstanding rises. Accidents are more likely – and more likely to escalate towards conflict.

There are three implications to consider.

THE 'TAIL RISKS'

The first centres on “tail risks”, the low-likelihood-but-high-impact events that have become commonplace in a world reshaped by China's rise, Middle East turmoil, populist Europe, revanchist Russia, divided America, a world-record 71 million displaced people and the destabilising effects of technological and climate changes.

Imagine a military accident in the South China Sea, at a time when the US and Chinese presidents are locked in a war of wills over trade and technology, and determined to project strength at home, that spirals out of control.

Turn to the Middle East – the US has confronted Iran. Since President Donald Trump withdrew the US from the Iran nuclear deal and then reimposed sanctions, Iran has taken bold military action – including a strike on the heart of Saudi Arabia's oil infrastructure. Washington responded by sending troops to Saudi Arabia, a move which, you might recall, sharply increased the risk of terrorism in the US a generation ago.

What if Mr Trump is defeated for re-election next year, and North Korea's Mr Kim Jong Un discovers the next US president won't accept his phone calls? What provocative action might he take? What if a debt crisis hits Italy, created when a future Italian government defies European Union budget rules and inadvertently creates a financial crisis too large for lenders to manage? Or a miscalculation in Ukraine pulls Russia into a shooting war? Or a US-Russia cyber confrontation hits critical infrastructure, creating a humanitarian crisis inside an American city?

BREAKDOWN OF INTERNATIONAL INSTITUTIONS

The second implication of the geopolitical recession is the breakdown of international institutions.

The tens of millions of displaced people around the world today create one of the most urgent and expensive problems that the United Nations has to cope with. Yet, even as national governments are less willing to welcome big numbers of refugees, even fewer are willing to invest more to support the UN Refugee Agency.

We also see fragmentation of European institutions as voters send growing numbers of anti-EU politicians to serve in the European Parliament. There is no longer consensus among Europeans on the free movement of EU citizens across borders, on how to manage immigrants from outside the EU, or on important questions like how best to manage relations with Russia.

The Trump administration has threatened the coherence of Nato, the most successful military alliance in history (French President Emmanuel Macron certainly seems to agree), and has withdrawn the US from the Trans-Pacific Partnership trade deal, the Intermediate-Range Nuclear Forces treaty with Russia, the UN Human Rights Council and the Paris Climate Accord, to name only a few.

The inevitable consequence of all this is a world that has become more unpredictable and much less safe.

LESS RESILIENCE IN CRISES

The last implication of the geopolitical recession: The weakness of today's international system not only leaves the world more vulnerable to crisis, but less resilient when crisis comes. In recent years, we've avoided a major international crisis.

We've seen Brexit, the election of Mr Trump, the growth of populism across Europe, Russia's bid to undermine Ukraine's independence, President Xi Jinping's consolidation of power in China, a meltdown in Venezuela and plenty of individual fires in the Middle East and in democracies across the world. But we have not yet experienced anything during this period that poses a challenge to the entire international system.

Our luck can't last.

There is one superpower in today's world, one country that can project political, economic and military power into every region. That superpower is still the United States.

That's why it matters so much that Americans themselves no longer agree on what role their country should play in the world. Everywhere I travel, I hear questions and concerns about Mr Trump. As if he is the source of all this confusion. As if his departure from the political stage would set America and the world on a path back towards some idea of normal.

That's not going to happen, because Mr Trump is a symptom, not a source, of this anxiety and confusion. Step back a dozen years and think about why Mr Barack Obama was elected president. After eight years of Mr George W. Bush's war on terror, it was Mr Obama who promised to end the wars in

Iraq and Afghanistan, and not to start new ones. Step back further. In 1992, Mr Bill Clinton promised that the end of the Cold War meant the end of Cold War burdens. He promised a “peace dividend”, money no longer needed to defeat the Soviets that could instead be invested in strengthening America at home.

Americans don’t want to run the world. They haven’t for a long time. And with each passing year, there are fewer Americans old enough to remember the Cold War, to say nothing of World War II. The reluctance of the US as a superpower creates a global vacuum of leadership. But no one is stepping up to take that role in the way that, more than a century ago, America emerged just as the sun began to set on the British Empire.

Europe remains profoundly preoccupied, particularly over economic issues dividing north and south, and political issues dividing east and west. And while Mr Xi has declared a new era for China in the world, China’s leadership remains fundamentally cautious when it comes to accepting heavy international burdens.

That’s why, when it comes to international leadership, Beijing will not soon become any more reliable a provider of public goods than Washington. And why a future crisis will be so hard to manage.

FALLOUT FOR GLOBALISATION

Then there is the impact of geopolitical recession on globalisation itself.

Globalisation has changed our understanding of how things are made and how we might live. Around the world, we celebrate our national holidays with fireworks made in China. The customer service calls we make to fix our computers are answered in India. Our cars are made from parts that come from dozens of countries. We are all globally integrated. And, until recently, politics hasn’t played a big part in these processes. That’s no longer true.

There is no longer a global free market. China, soon to be the world’s largest economy, practises state capitalism, a system that allows government officials to ensure that economic growth ultimately serves political and national interests.

The success of this system for China and the Chinese Communist Party is undeniable. The good news for the rest of us is that Chinese growth has supported global growth. Crucially, the hybrid global economy it has created does not end globalisation. Both free market and state capitalist systems still enable goods and capital to move around the world.

But the future of globalisation is not so simple. Different parts of the global economy are adapting to the end of the US-led global order in different ways.

The marketplace for commodities – especially food, metals and energy – indeed is only becoming more globalised. US and Chinese tariffs dominate the news, for as long as they last, but the bigger story is the expansion of global commodity markets.

New technologies are making energy production

more efficient and lowering costs at a faster pace than politics can drive them higher. That’s why, even after a dramatic missile strike earlier this year at the heart of Saudi oil infrastructure knocked half of Saudi oil production offline, the resulting jump in oil prices left them at levels just half of what they were in 2008.

With more than a billion people entering a global middle class over the past two generations, and the pace of that growth increasing, the globalisation of the commodities market will continue.

The market for goods and services, on the other hand, will become less global. That’s in part because the role of labour in production is shrinking dramatically as new technologies bring automation and machine learning into the workplace. Manufacturers want to produce where production is least expensive. That won’t change. What has changed is the search for cheap labour, because the rise of middle classes in China, India, South-east Asia, Latin America and sub-Saharan Africa has increased wages everywhere, giving producers good reason to automate production.

Further, the growth in populism we’ve seen in so many countries is driven in part by anger over job losses. That means that political officials are more likely to build barriers designed to protect local jobs than to restrict the flow of trade. These trends will shorten global supply chains for goods and services as each country or company works to reduce its vulnerability to disruption in countries involved in trade disputes.

Finally, there is the global market for data and information. This market is breaking in two. It is no longer global. In the beginning, the Internet – the World Wide Web – was driven by a single set of standards and rules. Today, China and the United States are building two distinct online ecosystems. That’s true for the transformation of today’s Internet, but also for the construction of the new Internet of Things. The American tech ecosystem, with all its strengths and shortcomings, is built by the private sector and (loosely) regulated by the government. The Chinese system is dominated by the state. That’s also true for big data collection, for development of artificial intelligence (AI), for the roll-out of 5G cellular network technology and for defence and retaliation against cyber attacks.

NEW BERLIN WALL

This leaves us with a big question: Where exactly will the new Berlin Wall stand? Where will we find the boundary between one technological system and the other? Will Europe align with the US? Or will the EU fragment into individual decisions within individual European countries? How will India position itself? And South Korea? And Brazil? What pressures will even Japan face?

There is another fundamental question: Will the US-led data and information model continue to be driven by the private sector? Or will future fears for

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The greatest source of US-China conflict comes from technology. Here, China is, today, a true superpower. Here, there is a Cold War structure to the relationship that will affect every region of the world. Here, the US does have an interest in seeing China fail, because China's technological development poses a foundational challenge to the values on which global stability and prosperity depend.



national security allow for the creation of a “tech-based military industrial complex” in the US?

The answers to these questions carry profound implications. In the markets for commodities, goods and services, global players are both competitors and (potential) partners. Each player wants more market share, but everyone benefits from an open trading system that creates opportunities for all. This is no longer true in the data and information economy. Here, much as in the US-Soviet Cold War, the existence of two competing systems limits commercial opportunities and threatens national security. Each side's hoped-for outcome is elimination of the other system.

AMERICA AND CHINA

This means that we need to talk about China and the United States.

What should the rest of the world want from China? We should want it to succeed. The world needs China to remain stable, productive and increasingly prosperous to fuel global growth. We need China to play a constructive international role, even if only a limited one. To work with other governments to meet the challenges posed by poverty, conflict, public health risks, lack of education, lack of infrastructure, climate change and the advance of disruptive new technologies. And, of course, we need these things from the United States too.

The threat China poses to the US is smaller than many in Washington believe. China has even less interest in going to war with the US than the US has in going to war with China. China is a regional, but not a global, military power. Economic interdependence will continue, despite concerted efforts on both sides to reduce economic vulnerabilities.

The greatest source of US-China conflict comes from technology. Here, China is, today, a true superpower. Here, there is a Cold War structure to the relationship that will affect every region of the world. Here, the US does have an interest in seeing China fail, because China's technological development poses a foundational challenge to the values on which global stability and prosperity depend.

This is a subject on which America's Democrats and Republicans agree. The stakes are real. The idea of a Splinternet, the creation of parallel technology ecosystems, isn't just a threat to globalisation. It's a competition that those who believe in political freedoms might lose.

What should we do?

NEW DATA RULES AND GREEN MARSHALL PLAN

Allow me to offer two proposals. The first is the creation of an organisation equivalent to the UN's Intergovernmental Panel on Climate Change. We need a similar group to establish ground rules for our digital world, the data and AI that fuel it, and its future development.

My second proposal is this – the world needs a digital World Trade Organisation, a World Data Organisation. As with the WTO, uniting governments that believe in online openness and transparency in an organisation that China will ultimately have an economic and security incentive to want to join, especially if it's the only way Beijing can secure access to developed markets. Carrots will work better than sticks.

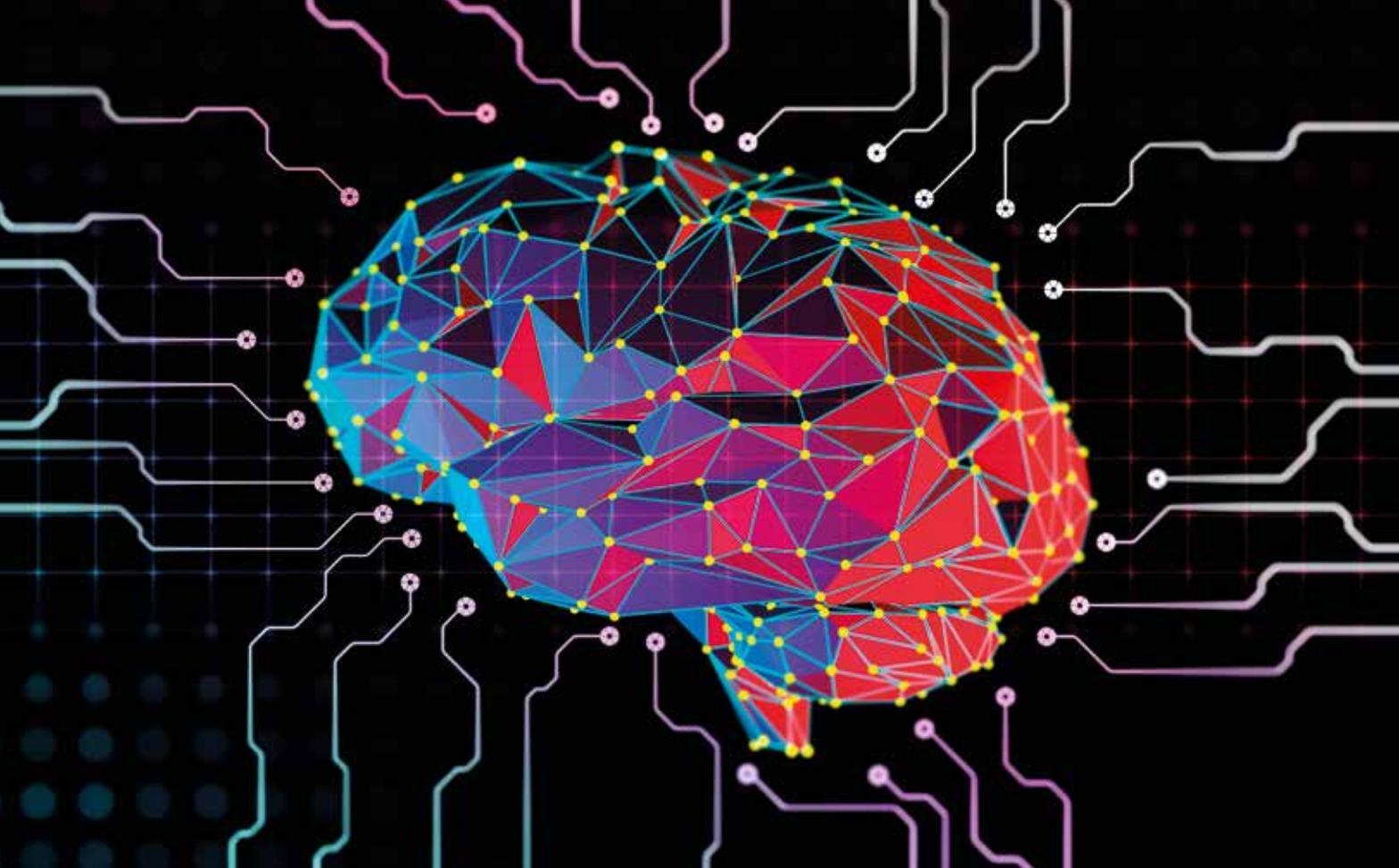
America, Europe, Japan and like-minded willing-and-able partners must work together to set future standards for AI, data, privacy, citizens' rights and intellectual property. Develop a permanent secretariat to determine these digital norms together, and a judiciary mechanism to enforce them. The Americans have the innovative capacity and start-ups. The Europeans are the regulatory superpower. Japan is the principal laboratory for a world that needs to see how AI can improve people's lives.

That's how we can address the US-China technology cold war.

There is, however, an area where Chinese cooperation with the West is both critical and entirely feasible right now. To combat the advance of climate change and its worst effects, we need to build a “Green Marshall Plan”, a mainly Western-funded project that includes the best ideas of private-sector thinkers and state-funded scientists from the West and China on how best to make the policy changes and invent the technologies to clean the world's air and water, and limit the damage inflicted by climate change.

The so-called “Green New Deal” now under scrutiny in the US presupposes that Americans can solve their own climate problems. They can't. China is now the world's No. 1 carbon emitter, by a wide margin, and China shares an interest with the rest of the world in fighting climate change. It isn't just New York and Tokyo that face the coming storms and rising seas. It's Shanghai too. [S](#)

Ian Bremmer is president and founder of Eurasia Group and Gzero Media.



Singapore

Singapore maps out route to becoming AI powerhouse

Singapore launched its roadmap to leverage artificial intelligence (AI) to transform the economy, in the country's most ambitious push yet to become a global AI powerhouse. With this, Singapore signalled its desire to make its place in the league of nations making their mark in the AI space, dominated currently by global superpowers US and China. Here's a report:

SINGAPORE UNVEILED ITS NATIONAL ARTIFICIAL intelligence (AI) strategy along with five key projects last month – some two years after countries such as Canada, China, France, Germany, South Korea and Japan released theirs.

Canada was the first to do so in 2017, committing C\$125 million (S\$128.7 million) to invest in AI research and talent.

In the same year, the Chinese government appointed Internet giants Baidu, Alibaba Group

Holding, Tencent Holdings and voice intelligence specialist iFlytek as its first batch of AI national champions, with the goal of making the country a global leader in the technology by 2030.

The Chinese government subsequently added more companies to its AI champions list. They include facial recognition technology firms SenseTime and Yitu, and telco equipment giant Huawei Technologies.

It is odd to find Singapore trailing so many

ILLUSTRATION: ISTOCKPHOTO

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Tech Editor



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economies in formulating a plan for something as crucial as AI, one of the building blocks of a smart nation. Essentially, AI techniques allow machines to learn from enormous sets of data and will bring new conveniences and economic benefits to modern living.

The delay in planning a comprehensive AI strategy could hamper Singapore's ambition to be the world's first smart nation, under plans first announced in 2014 by Prime Minister Lee Hsien Loong.

As it turns out, Singapore has taken the time to find its niche in this competitive space, currently dominated by the United States and China in terms of funding, number of companies and global reach.

"Singapore is a small city state. We don't have the oceans of data that China has or the unique (start-up) ecosystem in Silicon Valley. So we've been thinking... for over a year, where is the sweet spot?" said Dr Vivian Balakrishnan, Minister-in-charge of Singapore's Smart Nation initiative, in an exclusive interview last month on the sidelines of the Smart City Expo World Congress in Barcelona.

As unveiled last month, that sweet spot is in applying AI to specific sectors where quick productivity gains can be obtained to position Singapore as a global showcase in solving real-world problems.

This approach plays to Singapore's strength in

completing projects due to its efficiency, effective governance and digitally savvy population.

German consultancy firm Roland Berger and Berlin-based investment firm Asgard, in a 2018 report, acknowledged that most AI start-ups were solving only "low-hanging fruit" problems in sales and marketing through their chatbots, and that very few of them had products to disrupt any sector.

This situation presents immense opportunities for Singapore. It has announced it will channel limited resources to disrupt five key industries: education, healthcare, logistics, estate management and border security.

For instance, AI systems will be rolled out to mark primary and secondary English language assignments by 2022 to identify grammar errors and plagiarism, and to allow for the curriculum to be customised to suit students' learning needs.

It is hoped that the solutions will be home-grown and the related know-how will belong here.

"We intend to learn by doing and deploying (in) areas which are relevant to us... and we think this is a more targeted way of pursuing AI," said Dr Balakrishnan.

A similar strategy has also been adopted by France, which has picked its AI battlefield in the mobility, health and defence sectors, as it figured it has a higher chance of leading in these fields.

French multinational firm Thales Group's chief technology officer Marko Erman told The Straits Times: "The area where France can make a difference is in the business-to-business space.

"It is hard to pretend that you can fight against Alibaba, Google and Amazon in the business-to-consumer space... it is a waste of time and money." Thales is one of eight major global French firms to have signed a manifesto earlier this year to help the French government develop a plan to identify use cases and research areas for AI with the aim of creating jobs and generating economic growth.

France's commitment of €1.5 billion (\$2.3 billion) of public funding into AI by 2022 to groom talent appears to be paying dividends.

A Roland Berger report in October identified more than 430 AI-related start-ups in France, up from around 310 last year.

While the number of Singapore's AI start-ups is not readily available, the city state's dollar commitment to AI is no small sum. Through a five-year fund that will last until next year, managed by the National Research Foundation, \$500 million has been allocated to research and development in AI.

If government-owned venture firm SGInnovate's track record is anything to go by, Singapore looks well on its way to achieving its goals.

SGInnovate has invested \$40 million in around 70 local and foreign deep-tech start-ups - including AI and robotics firms in the healthcare, food and transport sectors - which have gone on to attract \$450 million of additional funding from the market.

This is not a bad starting point. **ST**

Singapore is a small city state. We don't have the oceans of data that China has or the unique (start-up) ecosystem in Silicon Valley. So we've been thinking... for over a year, where is the sweet spot?



– DR VIVIAN BALAKRISHNAN, Minister-in-charge of Singapore's Smart Nation initiative



ILLUSTRATION: ISTOCKPHOTO

Timeline for national AI projects

The national AI strategy will kick-start with five national AI projects across various sectors.

BORDER SECURITY



2025

- All travellers to Singapore – both Singaporeans and foreign visitors – will be able to access a fully automated immigration clearance system involving facial and iris scans.
- This makes the immigration procedure faster and more seamless for travellers, and also frees up time for the immigration officers to focus on other more high-value tasks.



ESTATE MANAGEMENT



2022

- AI-powered chatbots will be launched for residents to report issues with municipal services.

2025

- AI algorithms will be used across the neighbourhood, such as for lift cycles, to pre-empt the next breakdown. This can help the authorities to address problems earlier to minimise inconvenience to residents.

2030

- Data-driven insights will be used to improve the planning of estates, so that facilities can be better built and better located to serve the needs of residents.



LOGISTICS

2022

- Data such as unloading schedules and trucking jobs from various stakeholders involved – including truckers, container depots and port operators – will be shared to optimise freight movement within Singapore.

2025

- Such intelligent freight planning will be used for port operations.

2030

- Intelligent freight planning will be used for air and other land cargo operations.



EDUCATION

2022

- Automated marking systems will be launched to mark primary and secondary English-language assignments, including essays, to free up time for teachers to focus on other tasks.

2025

- Students will be able to access AI-enabled adaptive learning systems for mathematics, which are designed to cater to individual

students based on their own learning abilities.

- An exploratory study held in May at four secondary schools using such a system showed that students improved in their mastery of assigned topics, as they felt they had more control over their own pace of learning.

2030

- Automated marking systems and adaptive learning systems will be expanded to cover other subjects.



HEALTHCARE

2022

- AI software system Selena+ will be used to scan and analyse retinal photographs for signs of eye conditions, such as diabetic eye disease and glaucoma.
- The system is said to raise the productivity of healthcare staff by up to 70 per cent so that they can be freed up to focus on patients with more complex cases.

2025

- Data will be analysed to help predict risks of cardiovascular diseases related to high glucose, high blood pressure and high cholesterol.

Source: SMART NATION AND DIGITAL GOVERNMENT OFFICE PHOTOS: LIANHE ZAOBAO, HDB STRAITS TIMES GRAPHICS

India's RCEP pullout raises questions on its foreign policies

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A protestor burning placards during a demonstration against the government's plan to join the Regional Comprehensive Economic Partnership (RCEP) in New Delhi. PHOTO: AFP



Expert sees decision as a geopolitical setback, with India losing leverage in region

INDIA'S DECISION TO STAY OUT OF THE REGIONAL Comprehensive Economic Partnership (RCEP) agreement, announced in October, was motivated by domestic political and economic compulsions.

But the country's absence from a key piece of trading architecture that is expected to shape the Asia-Pacific's future has prompted questions on two Indian foreign policy priorities for this region – Act East and the Indo-Pacific.

Both these initiatives are strategic constructs that are hinged on all-round ties between India and the wider Asia-Pacific region, especially East Asian countries that have become not only highly globalised, but also greatly interconnected among one another.

RCEP, an agreement that now includes 15 member countries and accounts for nearly a third of

the world's gross domestic product (GDP), is widely anticipated to further heighten this region's critical role in global value chains.

Given this context, the decision by India to opt out of RCEP for protectionist reasons has been described by some as a setback that risks undermining the country's geopolitical goals for this region.

Dr Zorawar Daulet Singh, a fellow at the Centre for Policy Research in New Delhi, said that economic engagement between India and this dynamic region is an integral part of the process of shaping the balance of power and producing a stable prosperous geopolitical order in the Indo-Pacific.

"Without the economic factor, you can't really have a deeper connection with Asia. And if you do not have a deeper connection with Asia, you can't shape China's rise, you can't shape how China's neighbours will behave towards its rise and everything else that goes about it," he told The Straits Times.

"In that sense, yes, India's decision to stay out of RCEP is a geopolitical setback."

Dr Singh also argued that India's geopolitics had raced past its geo-economics and domestic political economy.

"There is a mismatch between India's lofty foreign policy rhetoric and its capacity to deliver. We are making efforts to develop stronger ties with our neighbours to the east but the implementation is far slower than what your ambition lays out," he said.

A key reason behind India's decision was its fear that the agreement could further deepen its trade deficit with the region.

The country recorded a trade deficit of more than US\$105 billion (S\$143 billion) with the proposed trading bloc in the 2018/19 financial year, more than half of it with China.

This is largely because of India's weak manufacturing base, which makes it reliant on imported goods from this region, especially China.

The fallout of India's decision has drawn focus to the importance of reforming its domestic economy - including by reviving its manufacturing industry,

whose share languishes at less than a fifth of the country's GDP - refreshing labour laws, boosting the productivity of its large agriculture sector and upscaling its creaking infrastructure.

These are measures that are expected to help boost its commodity exports and put its economy on a more equitable basis with the Asia-Pacific region.

Without greater economic weightage in the region, the Indo-Pacific strategy risks making India a "rentier state", pointed out Dr Singh, the author of a recently published book, *Power And Diplomacy: India's Foreign Policies During The Cold War*.

"We would be just plugging into a broader coalition of states, with India not having much of a leverage in that process," he said.

Mr Vishnu Prakash, a retired Indian diplomat who served extensively in the Asia-Pacific, acknowledged that the decision to stay out of RCEP will impact India's trade volumes and the speed at which it could have increased its commercial interaction with this region. [ST](#)

Japan 'not thinking at all' of RCEP deal without India

Abe will try to persuade Modi during visit to New Delhi this month

JAPAN IS "NOT THINKING AT ALL" ABOUT A Regional Comprehensive Economic Partnership (RCEP) deal without India, its top trade negotiator reportedly said last month, and will approach negotiations on this basis "until the very end."

"It is meaningful from the economic, political and potentially the national security perspective," Deputy Minister for Economy, Trade and Industry Hideki Makihara told Bloomberg in an interview, of the inclusion of India in the deal.

"Japan will continue to try to persuade India to join," he said, even as he noted the "very severe" domestic pressures in India.

Earlier in November, India walked out of the Asean-led RCEP, which also includes Australia, China, Japan, New Zealand and South Korea, citing a potentially adverse impact on Indian livelihoods if the country was flooded with cheap made-in-China goods.

The sprawling pact would have covered 30 per cent of the global economy and half of the world's population.

Japanese Prime Minister Shinzo Abe, who has repeatedly described his country as a flag-bearer of

free trade, will try to persuade his Indian counterpart Narendra Modi to stay in the deal on a visit to New Delhi, most likely from Dec 15 to 17.

Trade Minister Hiroshi Kajiyama may accompany Mr Abe on the visit.

China, hoping for a quick deal to ease pressures from its trade war with the United States, has said that the other 15 countries should move forward with a signing next year, but leave the door open for India to join when it is ready.

Japan, however, sees India as an important partner in counterbalancing the rise of China.

The defence and foreign ministers of India and Japan are set to hold their first "two-plus-two" meeting in New Delhi this weekend.

Both countries, together with Australia and the United States, also form a geopolitical framework called the Quad.

Japanese Chief Cabinet Secretary Yoshihide Suga told a regular news conference this month: "Japan hopes to continue playing a leading role towards the signing of an RCEP agreement of 16 countries, including India."

Still, such language has a precedent in Japan's initial approach towards the Trans-Pacific Partnership (TPP) deal after Washington walked out.

Mr Abe had at first told the Diet that the TPP would be "meaningless" without the US, but later led the remaining 11 countries to seal the pact, now in force among seven nations that have ratified the deal. [ST](#)

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EU-Singapore free trade agreement comes into force

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THE LANDMARK TRADE AGREEMENT BETWEEN the European Union (EU) and Singapore, which removes nearly all Customs duties between the two jurisdictions, came into force on Nov 21.

The reduction of tariff and non-tariff barriers under the EU-Singapore Free Trade Agreement (FTA) provides Singapore companies with greater market access to all EU member states. It also contains rules on trade and sustainable development, including the protection of labour rights and the environment.

Prime Minister Lee Hsien Loong noted that it has been almost a decade since negotiations began.

“Launched amid the 2008-2009 global financial crisis, and coming into force in today’s uncertain global economy, the EU-Singapore FTA signals the EU and Singapore’s shared conviction that open and global rules-based trade is the path to growth and prosperity,” he wrote in a Facebook post.

Mr Lee added that Singapore hopes that the agreement will eventually lead to an EU-Asean FTA, enhancing region-to-region connectivity between the EU, the world’s largest single market, and Asean, which is slated to become the fourth-largest economic bloc in the world by 2030.

Mr S. Iswaran, Minister-in-charge of Trade Relations, said the trade pact is a strong signal of the EU and Singapore’s shared commitment to uphold open and rules-based trade.

“As an ambitious agreement with forward-looking provisions, it marks a new chapter in EU-Singapore relations and will provide a solid foundation for Singapore and the EU to take our economic partnership to the next level,” he added.

Trade and Industry Minister Chan Chun Sing said in a Facebook post: “I encourage the Singapore business community, particularly those interested to venture into the EU market, to look at how they can leverage the benefits that the agreement will bring.”

EU Trade Commissioner Cecilia Malmstrom said: “This agreement will enhance our bilateral relationship, boost the EU’s commitment to Asean,

WHAT THE FTA MEANS FOR SINGAPORE

- 84 per cent of Singapore’s exports will be allowed to enter the European Union duty-free
- 70 years of copyright protection where Singapore-based producers can collect broadcasting and public performance royalties for productions exported into the EU
- Improved market access to service sectors
- Singapore companies can bid for more government procurement projects in the EU
- Key products originating from Singapore will be able to enter the EU tariff-free
- Singapore exporters will have lower operational costs due to the reduction of duplicative testing and certification procedures in three sectors: electronics; pharmaceuticals and medical devices

European Chamber of Commerce president Federico Donato said small and medium-sized enterprises, in particular, will gain from the trade deal because of simplified procedures at Singapore Customs. PHOTO: REUTERS



and is a sign of strong support for the rules-based international order.”

European Chamber of Commerce president Federico Donato says small and medium-sized enterprises, in particular, will gain from the trade deal because of simplified procedures at Singapore Customs, less burdensome technical rules and simplification of rules of origin.

The experiences gained from the EU-Singapore FTA will also help guide subsequent rounds of discussions for a trade pact between the EU and Asean, he added.

The agreement is the first between the EU and an Asean member state.

The EU is Singapore’s third-largest goods trading partner, and the Republic is the EU’s largest goods trading partner in Asean.

Bilateral trade in goods between the two jurisdictions exceeded \$114 billion last year, of which \$49 billion was exports from Singapore.

The EU is also Singapore’s largest services trading partner. Bilateral trade in services in 2017 exceeded \$79 billion.

There were around 14,000 European companies in Singapore as of December last year.

The EU is the largest foreign investor in Singapore, accounting for more than \$376 billion of foreign direct investment stock here in 2017.

Singapore is also the EU’s largest investment destination in Asean and its second-largest in Asia. Singapore’s direct investment in the EU was about \$122 billion in 2017, making it the union’s seventh-largest foreign investor and its biggest Asean investor. **ST**

Trade Briefs

China trims 'negative' investment list in show of opening up

China dropped 20 items on Nov 22 from its nationwide "negative" investment list, smoothing market entry rules in a show of its efforts to improve the business environment amid a slowing economy. The so-called negative list published by top economic planner the National Development and Reform Commission specifies industries where activities by investors, domestic or foreign, are either restricted or prohibited. Industries not on the list are open for investment to all and require no government approval.

- REUTERS

Japan's beer exports to South Korea dry up amid boycott

Not a single drop of Japanese beer was exported to South Korea in October, according to official figures on Nov 28, as a boycott campaign against Japan over a historical dispute dries up demand. Japanese beer shipments to South Korea stood at 7.9 billion yen (\$98 million) last year, accounting for more than 60 per cent of the country's global exports of the amber nectar. But the Finance Ministry in Tokyo said exports had plunged to zero, as the two countries remain locked in a dispute over trade and Japanese wartime atrocities.

- AFP, BLOOMBERG

Trade commission finds Chinese aluminium wire, cable export harms US industry

The US International Trade Commission (ITC) on Nov 20 said it had determined that US industry was materially injured by below-cost imports of aluminium wire and cable from China, locking in US antidumping and countervailing duties. The US Commerce Department in October said its final determination that Chinese exporters sold aluminium wire and cable at less than fair value in the United States. Such imports from China amounted to US\$115 million (\$150 million) in 2018, it said.

- REUTERS



New Sri Lanka government wants to undo deal to lease port to China for 99 years

Sri Lanka's new government led by President Gotabaya Rajapaksa wants to undo the previous regime's move to lease the southern port of Hambantota to a Chinese venture, citing national interest. Former prime minister Ranil Wickremesinghe in 2017 changed the terms, saying it would be difficult to pay the loans taken to build the project. He agreed to lease the port for 99 years to a venture led by China Merchants Port Holdings Co in return for US\$1.1 billion (\$1.5 billion). That helped ease the Chinese part of the debt burden raised to build the port, Mr Wickremesinghe said in an interview in 2018.

- BLOOMBERG

Malaysia defers new fruit, vegetable export rules after complaints from traders who supply to Singapore

Malaysia's plan to revise its export permit scheme for fruits and vegetables has been deferred to April, amid complaints from suppliers who export fresh produce to Singapore that the new rules will raise their costs considerably. On Nov 21, Johor's vegetable and fruit traders cried foul over new rules imposed by enforcement agency Malaysian Quarantine and Inspection Service (Maqis), which reduced the number of item categories that can be declared in an export permit from 50 to 10, thereby requiring them to apply and pay for multiple permits for each truckload of produce that crosses the border.

- THE STRAITS TIMES

South Koreans throwing away Japanese products during a rally calling for the boycott of Japanese products in August. Exports of Japanese beer to South Korea fell to almost zero in October.

PHOTO: AP

LEFT: A worker checks rolls of aluminium at a factory in Zouping in China's eastern Shandong province. PHOTO: AFP





An aerial shot of Samsung Electronics 'Nano city Hwasung Campus' semiconductor factory at Hwaseong, south of Seoul. South Korea seeks to step up collaboration with Asean in areas ranging from technology and logistics to security and smart cities. PHOTO: AFP

East Asia

South Korea-Asean partnership missing legacy project even as ties deepen

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SOUTH KOREA AND SOUTH-EAST ASIA MAY HAVE deepened ties and cooperation in numerous areas, but observers say the partnership still lacks a “legacy project” that will go down in history.

Dozens of memorandums of understanding were signed on the sidelines of the Asean-Republic of Korea Commemorative Summit in Busan, as South Korea seeks to step up collaboration with Asean in areas ranging from technology and logistics to security and smart cities.

Most notably, South Korea’s motoring giant Hyundai said that it will invest some US\$1.55 billion (S\$2.12 billion) in Indonesia to build a state-of-the-art manufacturing plant in Kota Deltamas, east of Jakarta, by 2021.

There are also plans to establish a Korea Start-

up Centre in Singapore next year to support small Korean firms hoping to venture into South-east Asia with Singapore as a base.

Asean is South Korea’s second-largest trade partner, after China. Bilateral trade has grown from US\$119 billion in 2016 to US\$160 billion last year, on the strength of South Korean President Moon Jae-in’s New Southern Policy (NSP) aimed at elevating ties with the regional bloc.

Dr Lee Jae-hyon, an expert on South-east Asia from the Asan Institute for Policy Studies, said the NSP is “quite an achievement” for the liberal Moon administration. But while cooperation projects with each Asean country are aplenty, they are nothing out of the ordinary.

“Where’s the innovation in NSP? We need a

flagship project that shows Asean people that South Korea is taking action – one that will leave a legacy,” Dr Lee told The Straits Times.

Mr Shawn Ho, an associate research fellow at Nanyang Technological University’s S. Rajaratnam School of International Studies, agreed that it would be good to have a “signature initiative that people can connect to Asean and Korea.”

“It may not be on the same scale as China’s Belt and Road Initiative, or have the same magnitude as America’s Indo-Pacific Strategy. But it can be a signature project that lends focus to Asean-Korea ties.”

Mr Ho said this is something that South Korea can explore for the second phase of the NSP, noting that Mr Moon still has half of his five-year term to complete.

Analysts agree that the South Korean President deserves credit for his devotion to the NSP, despite facing other diplomatic challenges, such as rocky inter-Korea ties, the trade war between the United States and China, and friction with Japan over historical issues.

In fact, the NSP arose out of Seoul’s urgent need to diversify its diplomacy and reduce economic reliance on its traditional partners – the US, China, Russia and Japan.

Since announcing the policy in late 2017, Mr Moon has become the first-ever South Korean president to visit all 10 Asean countries within his term.

Some experts, in fact, speculate that Mr Moon’s

ASEAN-SOUTH KOREA TIES IN NUMBERS



- The third Asean-Korea Commemorative Summit celebrated the 30th anniversary of a partnership between the Asean bloc and Korea.
- Asean is South Korea’s second-largest trade partner, after China.
- Bilateral trade has grown from US\$119 billion in 2016 to US\$160 billion last year, on the strength of South Korean President Moon Jae-in’s New Southern Policy (NSP).
- Mutual visits between the two chalked up more than 10 million people in 2018.
- The region is the second-biggest overseas construction market for Korea.
- South-east Asia absorbs around 30 per cent of South Korea’s development assistance to the global community.

K-pop group (G)I-DLE performing at an award show in Hanoi, Vietnam on Nov 26. The Korean wave – the export of the country’s pop culture – has garnered significant popularity amongst fans in Asian countries. PHOTO: AP



When Asean meets Korea, Asean culture can also go global quickly. I hereby propose that we go after the global market together.

”

– South Korean President Moon Jae-in at the opening of the Asean-Korea Culture Innovation Forum on Nov 25. PHOTO: EPA-EFE

Asean outreach could prove to be his biggest diplomatic achievement.

International studies professor Leif-Eric Easley of Korean’s Ewha Womans University said: “The New Southern Policy can be Moon’s greatest foreign policy legacy if, by demonstrating capacity-building achievements in South-east Asia, Seoul can credibly show Pyongyang the benefits of future integration.

“Contributions to regional public goods can also help South Korea navigate US-China rivalry by complementing both the Indo-Pacific Strategy and the Belt and Road Initiative, without having to choose between the two.”

Other experts, however, feel it remains to be seen whether the NSP would lose momentum once inter-Korea relations improve.

Mr Moon won accolades last year for successfully mediating talks between the US and North Korea. But cross-border ties are now frozen after Pyongyang and Washington failed to narrow their differences in advancing nuclear talks.

“If denuclearisation talks work out well and bring about historic change on the Korean peninsula, that would be President Moon’s biggest legacy,” Mr Ho said. “It’s uncertain if progress in Asean-Korea ties can match up with the potential progress in inter-Korea ties should there be a denuclearisation deal.” **ST**



Paro, a robot built by South Korean robot maker FutureRobot Co, roaming the Busan Exhibition and Convention Centre, the venue of the South Korea-Asean summit. Seoul pledged to step up collaboration with Asean in areas ranging from technology and logistics to security and smart cities. PHOTO: EPA-EFE

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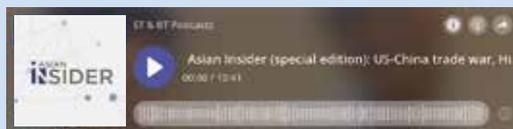
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Making sense of Hong Kong's fault lines



ST ILLUSTRATION: MIEL

Problem is not 'one country, two systems' per se, but the economic, political and social conditions the city is operating under

THE HONG KONG PROTESTS, WHICH HAVE RAGED for more than five months, have given "one country, two systems" a bad name.

This was the formula agreed between China and Britain, under which Hong Kong was guaranteed a high degree of autonomy in all matters other than defence and foreign affairs for 50 years after China resumed sovereignty over Hong Kong in 1997.

That year, as a journalist with *The Business Times*, I spent some time in Hong Kong gathering material for a special supplement on the handover, interviewing officials, politicians and business people and speaking to residents of the city.

While many were reassured by the Sino-British agreement that Hong Kong's way of life would continue, some were suspicious of it from the start, considering it inherently unworkable. One country is one country, they would say.

After witnessing the ferocity of the recent protests, some believe that the concept is now dead. As journalism professor Keith Richburg in Hong Kong put it in an article in *The Washington Post* on Aug 16, with the benefit of hindsight, "one country, two systems" was "ill-conceived, unrealistic and never fully fleshed-out. It was a fool's errand from the beginning".

But these critics need to explain why "one country, two systems" worked fairly smoothly during the first decade after the handover, that is, from 1997 to 2007. During that period, Beijing pleasantly surprised many sceptics by largely refraining from heavy-handed intervention in Hong Kong, which functioned pretty much as it did when it was under British control. It remained as socially stable and economically dynamic as ever, and became more prosperous. Hong Kong's system remained largely intact.

CARTELS AND DISTORTIONS

But what kind of system was it? Politically, it had never been democratic or even pretended to be so. It had always been ruled by a British governor, and many top officials had been British.

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The influx of mainlanders – both migrants and tourists – has further fuelled the rise of “localism” in Hong Kong, a reassertion of local identity, a form of nationalism. The chaos we have seen in Hong Kong is partly a reflection of an identity crisis.



Its Parliament, called the Legislative Council (LegCo), was not all directly elected, but also contained so-called “functional constituencies”, which represented various business groups. However, Hong Kong had the rule of law, an independent judiciary, a free press and business-friendly regulations – all of which remain.

But economically, it was a highly cartelised system, riddled with oligopolies. Business cartels – in some cases, just one or two companies – controlled entire industries, including telecoms, supermarket retail, bus services, port management and, most of all, property, where a handful of developers dominated the market. Public housing played a minor role and social safety nets were weak.

This system had been created under the British – it was not a creation of Beijing. But Beijing allowed it to continue, because it appeared to have delivered prosperity. This it did, but it also delivered inequality and led to economic distortions.

Those distortions got magnified after the global financial crisis of 2008. The Hong Kong dollar’s peg to the US dollar forced the territory to adopt more or less the same monetary policy as the US Federal Reserve. In response to the crisis, the Fed shifted to a near-zero interest rate policy, which it continued till 2017, and Hong Kong followed suit.

One result of this was that the territory’s already pricey property market went through the roof, fuelled also by purchases by rich mainland Chinese, whose numbers by then had swelled. The internationalisation of the yuan – for which Hong Kong has been the biggest offshore hub since 2004 – led to huge capital flows into the territory from the mainland, much of which were ploughed into property.

Since 2008, Hong Kong’s property prices have risen around 300 per cent, while wages have gone up by less than 50 per cent. The prices of small apartments have risen even more than those of larger units. Hong Kong today has the most unaffordable housing in the world – no other city comes even close.

High-end properties go for as much as the equivalent of about \$16,000 per square foot – roughly four times what they cost in Singapore. Rents are expensive too. Young Hong Kong people, even those with well-paying jobs, can barely dream of having their own homes, whether through ownership or rental.

HOME OWNERS AND POLITICS

In a 2018 study using election data from the 2016 LegCo elections, social scientists Stan Hok-Wui Wong of The Hong Kong Polytechnic University and Kin Man Wan of The Chinese University of Hong Kong found that while home owners prefer political parties that seek to preserve the status quo, those who do not own homes have a strong preference for “localist” parties that champion such ideas as self-determination for Hong Kong, and which have become an increasingly prominent political force

over the last 10 years.

Interestingly, income levels were not found to be associated with political identification. The main political fault line lay in asset ownership rather than income.

The existing system has survived partly because of support from powerful real estate interests that are represented in the LegCo and have successfully blocked initiatives to expand public housing. Nor was there much political support from Hong Kong’s establishment to expand social safety nets.

While soaring asset prices were, and remain, a major cause of dissatisfaction with Hong Kong’s system, there were also other causes.

One was the steady relocation of many business activities from Hong Kong to the mainland as the latter’s economy expanded far more rapidly than Hong Kong’s. At the time of the handover in 1997, Hong Kong’s gross domestic product was around 18 per cent of the mainland’s. Today, it is less than 3 per cent.

Manufacturing activities had started to leave Hong Kong for the mainland long before the handover. Other activities followed, including services. Prominent among them was maritime and logistics services. Hong Kong had the world’s biggest container port in 2004, but is now ranked seventh, overtaken by ports in Shanghai, Shenzhen, Ningbo and Guangzhou, as well as Singapore.

Many high-tech activities moved to, or took root in, Shenzhen. A number of professional services also expanded in mainland cities, eroding the unique advantages that Hong Kong enjoyed at the time of the handover. All of this meant that today, Hong Kong’s youth have fewer and less attractive job prospects than the generation before them.

THE MAINLAND INFLUX

Another development that appears to have contributed to public resentment was the influx of mainland Chinese into Hong Kong after the handover, which has led to a change in Hong Kong’s cultural and linguistic make-up.

The influx accelerated after 2003, when up to 150 permits per day were issued to mainland Chinese to migrate to Hong Kong under the so-called Quality Migrant Admission Scheme. Today, there are more than a million mainlanders who live and work in Hong Kong. They comprise about 14 per cent of the population, compared with a negligible number before 1997. This has led to both rising competition for jobs, as well as housing and schools, between native Hong Kongers and mainlanders – many of whom work in the lucrative financial industry – as well as cultural tensions.

Migrants from the mainland have not assimilated well into Hong Kong society and mix mostly among themselves. Mainlanders have been sometimes targeted during the recent protests and even attacked, simply for speaking Mandarin. Many mainland students have fled Hong Kong because they felt unsafe.

On top of migrants, there has been a flood of mainland tourists into Hong Kong. Some 51 million visited last year, almost seven times Hong Kong's population, which, while being good for the Hong Kong economy, has added to pressure on public facilities such as the health and transport systems and bred resentment.

The influx of mainlanders – both migrants and tourists – has further fuelled the rise of “localism” in Hong Kong, a reassertion of local identity, a form of nationalism. The chaos we have seen in Hong Kong is partly a reflection of an identity crisis.

These economic and social problems help explain why attempts by Beijing to impose its writ on Hong Kong over recent years have met with such resistance. In 2012, Hong Kongers successfully pushed back against the government's plan to introduce a reformed curriculum of Chinese “patriotic” education in schools. In 2014, the protesters in the so-called “Occupy Movement” demanded the right to elect their own Chief Executive, without Beijing's approval – although

they did not get their way. And this year, there was a particularly furious reaction to an attempt to push through a now-withdrawn extradition Bill.

Certainly, the political flaws must be addressed. After the landslide victory of the pro-democratic forces in the Nov 24 district council elections, the message would have gone out to Hong Kong's political leaders that they need to be more responsive and accountable to the people of Hong Kong and not only to Beijing.

But the economic and social fault lines, which are a major cause of the frustrations of Hong Kongers, must also be fixed. Some radical policy changes may be needed here.

It must invest more in areas where it has lost business to the mainland – ports, for example, where it has become uncompetitive.

Hong Kong's problem is not about “one country, two systems” per se. It is about the kind of system that Hong Kong has, which might have worked well in the past, but is now, in many ways, dysfunctional and obsolete. [ST](#)

Country Report

Has Sri Lanka got its Modi?



ST ILLUSTRATION: MIEL

More than his attitude towards big powers, Gotabaya Rajapaksa must be watched for his approach to the island's minority Tamils and Muslims

SHORTLY AFTER BEING APPOINTED DEFENCE secretary in his brother's Cabinet in early 2006, Mr Gotabaya Rajapaksa submitted a long list of expensive war equipment he wanted to buy. Many, including then President Mahinda Rajapaksa, were surprised.

Mr Gotabaya Rajapaksa's response was simple and direct. “All of you will start with hopes of talking peace with the Tigers,” he told them, referring to the insurgent outfit, the Liberation Tigers of Tamil Eelam. “When you realise it is futile, you will come to me. I cannot wait until that moment. I need all this now to be fully prepared.”

“Gota”, as he is known around the teardrop-shaped island, would be proved right. The Tigers talked peace only to gain time to prepare for the next battle. It would take his sustained planning over three years, executed unrelentingly on the battlefield by army chief Sarath Fonseka, to end the insurgency estimated to have claimed an estimated 70,000 lives in battles, suicide attacks and assassinations over a quarter-century.

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Mr Rajapaksa's decisive victory owes in no small part to the Sinhala community warming to his take-no-prisoner reputation on security issues, just as India's Hindus did with Mr Modi. Like the Indian leader, who was aided in his ascent by a climate of administrative and economic stagnation, Mr Rajapaksa is taking charge of a nation where growth has nearly stalled.



Among the deaths were those of 1,246 Indian troops sent to the island by then Prime Minister Rajiv Gandhi to enforce a peace that New Delhi had brokered between the Sri Lankan state and the rebels it had once backed and trained to rein in Colombo and keep it from slipping from its strategic grasp. Those policies ended abruptly after the Tigers in 1991 assassinated Mr Gandhi, possibly fearing he would return to power.

Even so, it would take another 18 years for the insurgency to be put down and its last weeks were chillingly brutal after the Sri Lankan army hemmed in the Tamil resistance in a small lagoon. Thousands were massacred and Tiger supremo Velupillai Prabhakaran and his family were executed without getting a chance to surrender.

Many Sri Lankans saw this as the world's first victory against "terrorism." The triumphalist months after war's end saw two distinct sets of heroes rise among Sri Lanka's Sinhala majority; the president and his defence secretary-brother who had directed the war and General Fonseka, who had led it, surviving assassination attempts along the way, including one so dire that he had to be evacuated to Singapore for surgery.

THE RAJAPAKSA CLAN

The Rajapaksas moved quickly to contain the political ambitions of battle hero Fonseka, snubbing him with the offer of a minor civilian post and when he declined to accept, having the general arrested. In the first interview he gave on the subject, Mr Rajapaksa told me over the telephone two days later: "Fonseka was planning a coup." Subsequently, his older brother, the president, told me laughingly that Gen Fonseka had been a mediocre general.

The Rajapaksas – a third Rajapaksa was Speaker of Parliament and a fourth held a powerful Cabinet position – always felt resentful they were never fully accepted by the cricket-and-rugby-loving power elite in Colombo.

Their response was to build a massive port and airport in the family's far south stronghold in Hambantota, to reduce Colombo's primacy and assert their own. Finding New Delhi cold to the plan they turned to Beijing, which eagerly provided funding, to India's immense discomfort. It was a matter of time before the Chinese enlarged their foothold in the nation and alarmed, India orchestrated a Cabinet coup that saw off the Rajapaksas and instituted a national unity government in its place.

It was the virtual collapse of that government amid bickering between president Maithripala Sirisena of Sri Lanka Freedom Party and prime minister Ranil Wickremesinghe of United National Party that laid the ground for Mr Rajapaksa's rise from the court house, where he had been facing charges of corruption, to the presidency.

The internal discord was also cited as the key reason why repeated Indian advance warnings of

this year's Easter terror bombings in Colombo went unheeded by both camps.

As in northern neighbour India, where a terror attack in Kashmir and a retaliatory Indian strike inside Pakistan territory helped Mr Narendra Modi retain power by a landslide earlier this year, Sri Lanka too may have just had its first "national security election" in the wake of the Easter attacks.

Mr Rajapaksa's decisive victory owes in no small part to the Sinhala community warming to his take-no-prisoner reputation on security issues, just as India's Hindus did with Mr Modi.

Like the Indian leader, who was aided in his ascent by a climate of administrative and economic stagnation, Mr Rajapaksa is taking charge of a nation where growth has nearly stalled.

The young, too, have responded to his message and not just because of his strongman image. And just as Mr Modi did in his first campaign speech aimed at a national audience, when he caught youth attention by bringing up the issue of depleting ground water, Mr Rajapaksa ordered that his own campaign be conducted "without plastic or polythene." His inauguration speech contained promises to protect the environment.

With his undisguised admiration for Singapore – he underwent open heart surgery here during the campaign for the presidency – it is no surprise that Mr Rajapaksa frequently talks about building a "meritocracy" and a "technocracy." That is easier said than done. Unlike Mr Modi, who has kept his family at a safe distance, the Rajapaksas are all over the place. Older brother Mahinda, who is constitutionally barred from seeking a third presidential term, has now been appointed interim prime minister and will likely consolidate his position in the coming elections to Parliament.

Younger brother Basil, who ran Mr Rajapaksa's campaign so effectively, was once a controversial presence in Mr Mahinda Rajapaksa's Cabinet as minister for economic development, and will no doubt be rewarded for his recent efforts. The oldest sibling and former Speaker of Parliament Chamal will have his hand out as well.

It does not stop there. The next-generation Rajapaksas have come into view: Mr Namal, one of Mr Mahinda Rajapaksa's sons, has been a member of Parliament since 2010.

POWER POLITICS

Much of the commentary post-election has centred around how Mr Gotabaya Rajapaksa is likely to play the power struggle shaping up in the Indo-Pacific region, especially since China has made clear its intention to build up its influence in the Indian Ocean littoral. As president, Mr Mahinda Rajapaksa had built up a close relationship with Beijing that includes a strategic partnership signed in 2013.

As point man for the partnership, Mr Gotabaya Rajapaksa had made a two-week visit to China, getting briefed and shown around key installations.

Known as a man of his word, he is probably sincere in his intentions. The former army lieutenant-colonel also would be well aware of the perils of irritating New Delhi, without whose military and intelligence support he could not have prevailed against the Tigers.

Besides, India itself has mended ties with the Rajapaksa clan, conveying that the Cabinet coup it orchestrated in 2011 was occasioned by geopolitical compulsions, not personalities. Last year, Mr Modi was photographed with Mr Mahinda Rajapaksa on one side and Mr Namal Rajapaksa on the other - a telling public endorsement for the Sri Lankans from the regional hegemon.

That aside, India is getting used to the idea that China's size and reach are so overwhelming, it is unrealistic for it to expect China to not show up in its backyard increasingly. Bangladesh has adroitly finessed this game of leveraging China without upsetting India.

MINORITY CONCERNS

Where Mr Gotabaya Rajapaksa probably needs most watching is how he deals with the island's Tamil and Muslim majorities, who so firmly voted against him this month.

Instructively, he chose to take his oath of office

not in the capital Colombo, but in a Buddhist temple in the heartland city of Anuradhapura erected for a Sinhala king who defeated Tamil invaders two millennia ago.

Given Buddhism's shared roots with Hinduism, Sri Lanka's hardline Buddhist fringe may sense opportunity that the Hindu nationalist Bharatiya Janata Party (BJP) that holds power in New Delhi will look the other way if any targeting of Muslims were to take place in Sri Lanka.

It may feel similarly emboldened vis-a-vis the Tamil minority in the island's north and east, calculating that across the water BJP has only a marginal presence in India's Tamil Nadu, a state with 30 times more Tamils than Sri Lanka's 2.5 million.

As for Muslims, it is deeply ironic that the Buddhist clergy-influenced Sinhala should have so turned against them. Even as they are Tamil speakers mostly, Muslims had been loyal to the state during the civil war and in fact were used by the Sri Lankan intelligence apparatus to penetrate Tiger ranks.

Taking on national leadership with the image of a doer, Mr Rajapaksa, like Mr Modi earlier this year, settled into office promising to be a president to all sections, including those that did not support him. He must be held to his word. [SI](#)

Country Report

Kuala Lumpur's economic corridor plan raises hopes for high-speed rail revival

Government planning network of economic centres in south-west Peninsular Malaysia: Sources

THE MALAYSIAN GOVERNMENT IS PLANNING a new development blueprint to tap unrealised potential in the south-west of Peninsular Malaysia - with the move raising hopes that the government might be considering resuming the postponed high-

speed rail (HSR) project with Singapore.

Officials with knowledge of the plan, which is still in its infancy, revealed that the New Economic Corridor (NEC) centres on integrating connectivity across smaller towns along the coast and the

An artist's impression of Batu Pahat station on the Kuala Lumpur-Singapore High-Speed Rail (HSR) line. PHOTO: EDELMAN

SHANNON TEOH
Malaysia Bureau Chief



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interior, which have been unable to realise their economic potential due to a lack of infrastructure.

Economic Affairs Minister Azmin Ali said during the just-concluded Tanjung Piai by-election campaign in Johor that “the initial plan” was tabled to his ministry only in a Nov 9 briefing. If agreed by the government’s Economic Action Council chaired by Prime Minister Mahathir Mohamad, the tentatively named NEC could kick off next year as a long-term plan stretching beyond the next decade. The towns that could benefit from this corridor include Melaka, Muar, Batu Pahat and Iskandar Puteri (Nusajaya), as well as inland areas such as Segamat, Kluang and Nilai.

Datuk Seri Azmin said: “We will create a new nucleus of development from Bandar Malaysia to Johor. We don’t want development to be focused solely on the Klang Valley or major cities... whether public transport like rail, or ports and new airports and facilities that can drive economic growth.”

Bandar Malaysia, a 197ha township coming up in southern Kuala Lumpur, was set to be the final stop of the HSR. Mired in the 1Malaysia Development Berhad controversy, the project was initially put on hold by the Pakatan Harapan (PH) government when it came to power in May last year, before being revived this April.

The NEC would link up existing development centres, such as the Aeropolis around Kuala Lumpur International Airport in Sepang, the sprawling 150,000ha Vision Valley industrial park in Negeri Sembilan, and Johor’s Iskandar Malaysia. The HSR, which was planned to run this route, is set to be part of the infrastructure jigsaw if two ongoing

NO WORD ON FATE OF PROJECT

On Sept 5 last year, Singapore and Malaysia agreed to suspend the HSR project up to May 31, 2020. Malaysia had requested that both sides discuss the way forward for the HSR project during the suspension period, with the aim of reducing costs. Singapore has not received any formal proposals from Malaysia on the HSR project to date.



– A SPOKESMAN FOR SINGAPORE’S MINISTRY OF TRANSPORT

assessments give it the green light.

“The technical assessment is nearly complete, but the commercial one is the actual test, as the economic viability of the project must be justified,” a top official told The Straits Times on condition of anonymity due to the confidentiality of the plan.

The model of identifying particular areas as “development corridors” harks back to the Abdullah Badawi administration from 2003 to 2009. But the likes of the East Coast Economic Corridor covering Kelantan, Terengganu and Pahang, the Sabah Development Corridor and the Sarawak Corridor of Renewable Energy have had limited success. They share a lack of transport and logistics ecosystems.

The PH government sought to cancel the HSR deal with Singapore soon after coming to power, citing the RM110 billion (\$36 billion) it would need to fork out. But the two governments eventually agreed to a two-year deferment to May 31 next year, with Malaysia reimbursing Singapore \$15 million to cover the costs of delaying the 350km line.

Should Kuala Lumpur decide against proceeding with the project, it could face a penalty of up to RM500 million on top of expenses already incurred by Singapore.

Government sources also told ST that Kuala Lumpur has been looking at ways to slim down the project, with land acquisition and station design identified as key areas where cost can be reduced.

“Many of the stops were allocated more than \$100 million and we believe we can more than halve the amount,” a source said.

A spokesman for Singapore’s Ministry of Transport told ST on Nov 19 that last year, Malaysia requested that both sides discuss the way forward for the HSR project during the suspension period, with the aim of reducing costs. The spokesman added: “Singapore has not received any formal proposals from Malaysia on the HSR project to date.” **ST**

New corridor: Bandar Malaysia to south Johor



Source: MYHSR CORPORATION STRAITS TIMES GRAPHICS

WORKING IN THE GIG ECONOMY

No 9-5 grind but it's not an easy ride

The huge numbers of food delivery riders and Grab drivers show how the landscape of work (and footpaths) has changed. No more 9-5 grind, with seven in 10 workers surveyed by a Straits Times poll reporting that they earn better wages than in their previous jobs. But with no benefits, no CPF and no long-term career prospects, here's a look at whether it's a boon or bane.

YUEN SIN AND JANICE TAI

IT PROMISED SO MUCH - AND TRANSFORMED the word "gig" into something sounding cool.

That's the gig economy, where, even without qualifications, you can sometimes earn as much as a white-collar worker, while doing flexible hours that suit you.

But as recent events, such as the ban on e-scooters from footpaths, have shown, there are clouds over this vaunted future of work.

The initial appeal of the gig economy was that it could liberate workers from the constraints of a 9-to-5 job, says Ms Shailey Hingorani, head of research and advocacy at the Association of Women for Action and Research (Aware).

"Some individuals were motivated to join the gig economy because these were the only jobs that allowed them sufficient flexibility to combine work and care responsibilities," she says. Alternatively, these could be the only jobs they were eligible for because of their educational levels or qualifications.

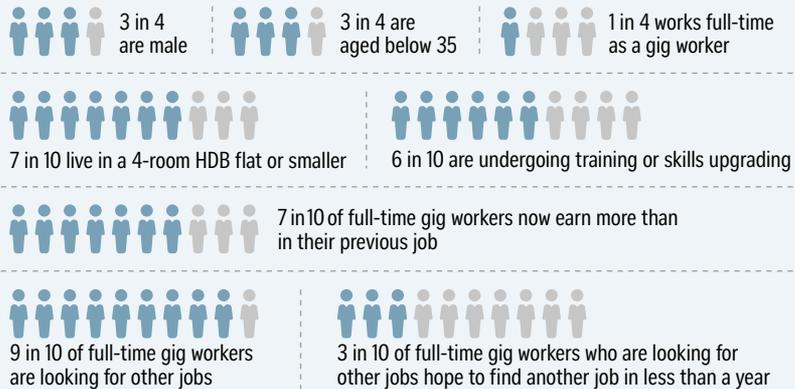
Many lower-income workers are also drawn to the fact that such jobs can potentially offer more pay than other similar blue-collar jobs, says the executive director of non-profit body AMP Singapore, Mr Mohd Anuar Yusop.

Indeed, seven in 10 full-time ride-hailing drivers and food delivery riders are earning more than in

The blue-collar gig economy

The Straits Times commissioned an online poll to find out more about the socio-economic status and working conditions of food delivery riders and drivers on ride-hailing platforms. There were 115 responses from each group. Here are some key findings.

OVERALL



Common challenges faced on the job:

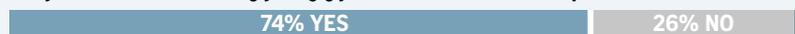
- Regulation issues
- Lack of worker welfare



What they like about their job:

- Flexibility
- Convenience

Are you worried about losing your gig job due to issues like disruption?



If yes, what are you doing about it? (Choose at least one option)



FOOD DELIVERY RIDERS

Monthly household income from work per household member



RIDE-HAILING DRIVERS

Monthly household income from work per household member



Source: MILIEU INSIGHT STRAITS TIMES GRAPHICS

their previous jobs, a survey commissioned by The Straits Times has found.

But, in the long run, their prospects look dim, warn observers. The gig economy could leave such workers in a vulnerable position due to the lack of labour protection and opportunities for skills training, limiting their prospects for social mobility.

This is exacerbated because many such workers are lower-income ones, which could mean they are further marginalised by their gig jobs.

According to the online survey, by consumer research firm Milieu Insight, which polled 200 private-hire drivers and food delivery riders, one in two falls into the bottom three deciles for monthly household per capita income.

PAY: THE REALITY

Gig jobs may not be as lucrative as they present themselves to be, says Aware's Ms Hingorani.

While The Straits Times survey found that the food delivery riders earn \$17.33 an hour, and drivers on ride-hailing platforms earn \$23.10 an hour, such wages are seldom offered on an hourly basis by gig economy companies.

Instead, workers are usually paid on a per-trip basis – so those with the capital to purchase a motorbike, for instance, can earn more than those on a bicycle.

In a research paper, social worker Ruth Lee also found that one of the players, GrabFood, offers food delivery riders an additional monetary incentive if they complete a minimum number of trips during the weekend. They can receive an additional \$100 if they hit this target, which increases their income by around 60 per cent. To do this, they need to put in at least nine hours a day.

In this way, such gig workers are incentivised to work long hours, she says, noting that earnings may also be affected by circumstances such as rain.

A similar incentive structure is in place on ride-hailing platforms, drivers tell ST, with some getting an incentive that doubles what they have earned in the day if they meet a minimum number of trips.

National University of Singapore adjunct professor in economics Basant Kapur says it is important to look not only at their earnings, but also their work hours.

The Milieu survey found that the full-time food delivery riders and drivers work an average of 45 hours a week, compared with 17 hours for the part-timers. This is slightly longer than the hours put in by an office worker.

Besides having to put in longer hours at work, their monthly pay may also change any time when the company's compensation policy is tweaked.

For instance, the company may lower its incentives when it has a larger supply of drivers and riders, says AMP's Mr Mohd Anuar.

Some drivers interviewed by The Straits Times also say their incomes dropped after Uber exited the ride-hailing market last year.

While employers in conventional jobs make a contribution to their workers' Central Provident Fund (CPF) accounts alongside their salaries every month, this is not being done for many food delivery riders and private-hire drivers.

This is a concern as such CPF contributions are essential for social mobility and housing security, says Ms T. Ranganayaki, deputy executive director of Beyond Social Services. Such workers also do not have leave benefits, notes Aware's Ms Hingorani.

Small steps are being made, though. Now, Medisave contributions are required for drivers to get their Private Hire Driver Vocational Licence and Grab has a scheme to match its drivers' Medisave contributions of up to \$100.

JOB SECURITY: CONCERNS

Seven in 10 of the survey respondents also say they are worried about losing their gig jobs due to issues like disruption. About three in five say they are undergoing training or skills upgrading.

When contacted, Gojek says it is partnering Workforce Singapore (WSG) to enable its driver-partners to attend upskilling courses, as well as workshops on career planning.

Deliveroo says that, since September last year, it has partnered OpenClassrooms, an online education platform for vocational training, to provide free online learning for riders in Singapore.

Grab says it partners SkillsFuture Singapore and WSG to offer career courses and workshops. Labour MP Ang Hin Kee says officers from the Employment and Employability Institute were deployed a few days ago to Grab's office to offer career counselling to drivers or riders after the e-scooter ban on footpaths took effect.

The poll also found that Malays were over-represented in this line of work.

But Mr Mohd Anuar says this is not a "uniquely Malay" problem. A greater concern is whether gig workers can save up enough for housing and retirement, he says.

Ms Hingorani calls for gig economy workers to be given a higher base rate of pay to compensate for the lack of entitlements such as annual leave or childcare leave.

Gig economy workers who have been working for more than six months should also get protection from wrongful dismissals and have access to sick leave.

After 12 months, they should also have the right to convert to a permanent contract if they wish to, she adds.

Since it was formed in 2017, several recommendations made by the Tripartite Workgroup on Self-Employed Persons have been taken up by the Government and its partners, including developing insurance products for freelancers to mitigate the loss of income during prolonged injury or illness.

Nominated MP and Singapore University of Social Sciences economist Walter Theseira says it is always better to have the option of a job than no option in the short term. **ST**

5 types of gig economy workers

To supplement its online survey, we spoke to 50 food delivery riders and ride-hailing drivers to understand their socio-economic profile and why they joined the gig economy. Here's our report:



ST ILLUSTRATIONS: CEL GULAPA

1 THE VULNERABLE: ONLY EMPLOYMENT OPTION FOR SOME

AFTER BEING RELEASED FROM prison for criminal breach of trust offences in 2016, Mr Raymond Chia, 48, a former restaurant manager, found it difficult to land a full-time job.

He started delivering food on a personal mobility device with Uber's food delivery arm UberEats in 2016, and then for GrabFood after Grab's acquisition of Uber last year. For working 14 hours a day, seven days a week, he earns \$3,000 a month - more than the \$2,000 he used to earn as a restaurant manager.

About one in five of the 50 private hire drivers and delivery riders polled by The Straits Times is an individual from a vulnerable background, like Mr Chia.

Besides former offenders, this group

includes single parents, the elderly poor, and those with health issues or special needs. Most surveyed by The Straits Times have low educational qualifications of just O or N levels and below, with one without any schooling.

For this segment, a job in the gig economy is often the only option for them, given the low barriers to entry and flexible arrangements that they require to cope with caregiving arrangements or health conditions.

Labour economist and Nominated MP Walter Theseira says this group of workers is probably, on balance, helped by the gig economy. "Prior to that, it would have been difficult for them to find and keep regular employment," he says.

2 THE DRIFTERS: FOCUSING ON FLEXIBILITY OVER CAREER PROSPECTS

AT A TIME WHEN HIS PEERS ARE reaching their career peak, Mr Muhd Firdaus, who is on the cusp of turning 40, has been working as a food delivery rider for the past seven years.

He has a diploma in hotel management and worked as a hotel concierge for three years before deciding to quit to deliver food for Foodpanda and Deliveroo instead.

Prior to working as a hotel concierge, he was a regular serviceman in the army for a decade.

"It was tiring as an NS (national service) regular, so I did not extend my contract. Working as a concierge is also not easy because you have to sit through 10-hour shifts," says Mr

Firdaus, who brings in about \$3,000 a month now.

He belongs to a group of workers who have some educational qualifications and are eligible to take on other jobs, such as in the security, service or logistics line, and which come with a career or a progressive wage ladder, but who prefer to work in the gig economy.

Mr Winston Lee, 39, who also has been working as a food delivery rider for the past seven years, has seen his pay go up marginally from \$2,600 to \$2,800 since he made the switch from working at a coffee-shop drinks stall.

He has also had jobs as a cleaner and in pump maintenance.





3 THE NOW-WHATS: 'QUICK FIX' BECOMES PERMANENT JOB

HE MAY BE ONLY 23, BUT MR ZANE Chiang has already experienced one retrenchment.

Three years ago, the Japanese restaurant where he had worked for five years as a waiter felt the squeeze from high rents and closed down.

Being unemployed was a shock after working 13-hour days.

Yet, when Mr Chiang went for about five interviews for events and office jobs, he was unsuccessful.

So he decided to be a food delivery rider to earn some money and pass time in the interim.

More than half of 50 food delivery riders and private hire drivers The Straits Times interviewed during a street poll say they became gig workers as a "quick fix" after an unforeseen crisis such as losing a job, or simply to save for a rainy day or buy items.

According to a gig economy survey of 200 food delivery workers and private hire drivers commissioned by The Straits Times, 79 per cent say they have been working for two years or less.

Labour MP Ang Hin Kee says that a number do end up doing gig work full time.

4 THE MOONLIGHTERS: TAKING ON EXTRA WORK TO MEET EXPENSES

FOR SOME WORKERS, HOLDING A full-time job may not be enough to cover their basic needs such as food or education expenses.

They turn to the gig economy to plug the gap, working at night after their day jobs and during days off.

Dental assistant Rachel Galvez, 34, for instance, started delivering food with GrabFood on a personal mobility device earlier this month on her days off, to get extra money for daily expenses.

Her husband is a security officer and their combined monthly take-

home pay is about \$3,200. They have three children aged two to 10 years old.

Besides having to pay for a maid to look after the children, they find it difficult to get by as her husband has to make alimony payments to his former wife. He also has to support a child from his first marriage, which is an additional expense of about \$500 every month.

Mr Yap Kian Ping, 40, earns \$4,000 as a chef. He also drives for a few hours from 4am daily as a private hire driver.



5 MUM AND DAD... AND GRAB: WHEN DELIVERING FOOD IS A FAMILY AFFAIR

IT IS A FAMILY AFFAIR - BOTH MUMMY and daddy are GrabFood delivery riders, and this has helped them provide for their children.

Ms Taslinna Tahrushah, 29, delivers food on her bicycle from 8am to 6pm every day, before picking up her one-year-old daughter from an infant care centre.

She has six children and rotates her GrabFood work shift with that of her husband, Mr Wildan Muhammed, 23.

Ms Taslinna, quit her security officer job of nine years because its 12-hour shift did not allow her to care for her children. All eight live in a one-room flat.

Families, such as Ms Taslinna's, which do not have an alternative stable source of income, are especially vulnerable in risky gig economy jobs where change may be the only constant.

Similar to Ms Taslinna's household, Institute of Technical Education student Eric Chua's family is also solely dependent on income from the gig economy. His mother became a GrabFood delivery rider after losing her airport cleaning job. Eric, 18, and his Nanyang Technological University undergrad brother deliver food on weekends or after school on weekdays.





Lifestyle

Orchard Road Christmas light-up expands

THIS YEAR'S CHRISTMAS LIGHT-UP ON ORCHARD Road has gone for a more traditional feel, following criticism that last year's Disney-themed decorations had drawn focus away from the holiday's meaning.

Santa Claus is the mascot and is featured heavily on the glittering archways and adornments lining the street, the Orchard Road Business Association (Orba) said at a pre-light-up briefing.

Themed "The Greatest Gift", the decorations include other Christmas staples such as Christmas trees and presents.

This year's light-up, which runs from Nov 16 to Jan 1 next year, is also to be more extensive, with street decorations extending to Grange Road and Orchard Link for the first time.

Orba chairman Mark Shaw told reporters at the Mandarin Orchard Hotel media briefing that the direction of this year's theme was not influenced by the feedback last year.

He pointed to the fact that the first branded light-up in the event's 35-year history was the result of a three-year collaboration between the Walt Disney Company South-east Asia and the Singapore Tourism Board (STB) to bring themed events and activities to Singapore.

This year, bigger and grander lamp post decorations line the Tanglin, Orchard and Somerset sub-precincts, each of which has a unique theme, Orba said. Including the extended area, a total of 3.9km is lit up by more than 6km of strung

This year's Orchard Road light-up, themed "The Greatest Gift", is more extensive, with street decorations – which include other staples such as Christmas trees and presents – extending to Grange Road and Orchard Link for the first time.

ST PHOTO: KHALID BABA

TIFFANY FUMIKO TAY

Correspondent



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There are bigger and grander lamp-post decorations this year. A total of 3.9km is lit up by more than 6km of stringed lights and almost 200 Christmas tree-shaped LED decorations. ST PHOTO: DESMOND WEE

lights and almost 200 Christmas tree-shaped LED decorations. Santa and his reindeer provide photo opportunities on street pavements while Christmas carols fill the air.

The Great Christmas Village runs till Dec 26 at *Scape, the Grange Road open-air carpark and Shaw House Urban Plaza. It features more than 30 amusement rides and game booths, as well as food trucks, musical performances and other activities.

Mr Shaw said that the decision to extend the area of the light-up was tied to the success of last year's village festivities. Spreading it across three venues allows visitors to explore more of the street, including the expanded light-up zones, he said.

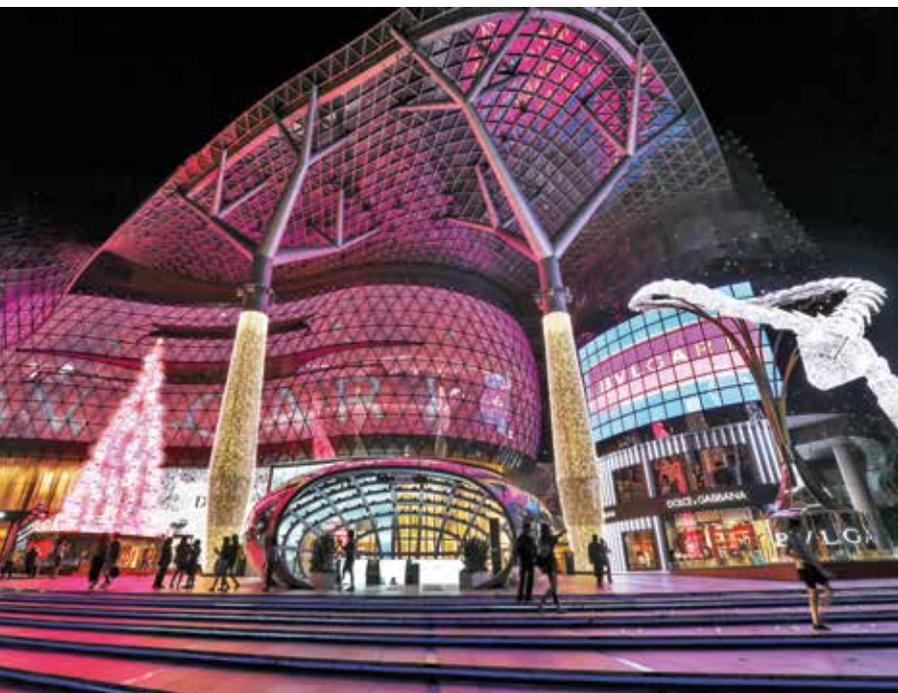
Last year's edition of Christmas on a Great Street attracted four million visitors over seven weeks.

Orba began a year-long trial in April to bring activities such as pop-ups and events to pedestrian walkways as part of earlier announced plans to rejuvenate Orchard Road.

Executive director Steven Goh says Orba has helped to bring more local brands and night visitors to the area.

In May, it kicked off a monthly night-time event called Night at Orchard, which features fashion, food and musical performances by buskers. While about 50 local brands were part of the first edition, there are now about 80 on a rotating basis. [ST](#)

Bvlgari's Christmas installations, pop-ups by Cartier and Dior



BVLGARI CHRISTMAS LIGHTS AT ION ORCHARD

THIS YEAR'S HOLIDAY DECORATIONS IN Orchard have traded in Disney for bejewelled glamour. Italian luxury jeweller Bvlgari has decked the mall with an 18.5m Fireworks Tree and an 18.5m free-standing Serpenti Necklace light structure inspired by Bvlgari's iconic Serpenti jewellery piece.

You will not find actual jewels on the towering structures – the opulence comes from a 15km strip of 200K LED RGB lights in the tree, and 150,000 micro LED lights in the necklace structure.

The dazzling structures were also designed to be interactive installations. Members of the public can download the corresponding mobile app for each, and through that light up the structures in an array of colour effects.

Christmas installations, including an 18.5m Fireworks Tree and an 18.5m Serpenti Necklace light structure, by Italian luxury jeweller Bvlgari at ION Orchard.

PHOTO: COURTESY OF BVLGARI



CARTIER BRINGS CLASH DE CARTIER POP-UP TO SOUTH-EAST ASIA

EAT, READ, AND LISTEN TO TUNES – ALL IN THE presence of stunning jewellery – at Cartier’s first and largest experiential pop-up in Singapore and South-east Asia.

The jewellery house brings its Clash de Cartier Studio showcase to STPI Creative Workshop & Gallery at Robertson Quay, after a much raved about global debut in Paris earlier this year.

The pop-up celebrates the brand’s Clash de

Cartier collection of “clashing” jewellery – classic but edgy – and the rooms where it is displayed feature some element of clashing.

In the Bookstore, browse books that were curated for their contradictions in genres and content, or take home a personalised haiku as a souvenir. The final stop is an in-house cafe designed to model an opposition of cultures – one half has locally inspired decor and the other a contemporary European design.

The Cafe at the Clash de Cartier Studio pop-up in Singapore.

PHOTO: COURTESY OF CARTIER

FESTIVE CHEER AT DIOR'S POP-UP IN JEWEL CHANGI AIRPORT

THE NEXT TIME YOU ARE IN JEWEL CHANGI Airport with some time to kill, treat yourself to a luxurious session of beauty sampling at the new pop-up by Dior Parfums.

Fitted in gold and white, the Dior Atelier of Dreams pop-up was conceptualised to give a glimpse into the exclusive Dior Ateliers on 30 Avenue Montaigne in Paris, where Christian Dior himself has worked.

Here, you can test the Maison’s full range of skincare and make-up – including the Rouge Dior lipsticks and new limited-edition holiday collection.

If you are shopping for gifts, Dior is offering personalised engraving on products with a minimum purchase of \$150. [S1](#)



The Dior Atelier of Dreams pop-up at Jewel Changi Airport. PHOTO: COURTESY OF DIOR PARFUMS



PHOTO: BLOOMBERG

Big Picture

Working sky high

IF YOU ARE IN KUALA LUMPUR, CRANE YOUR neck and look out for South-east Asia's tallest building.

Standing at 492m, the Exchange 106 skyscraper (above) has overtaken the Petronas Twin Towers, at 452m, as the tallest in Malaysia.

Its Indonesian developer Mulia Group announced in October that the skyscraper is now ready to take in tenants from December.

Exchange 106 is the first project to be completed in the Tun Razak Exchange, a new financial district in Malaysia's capital that was started by now defunct state fund 1Malaysia Development Berhad (1MDB), from which about US\$4.5 billion (S\$6.1 billion) was misappropriated, according to prosecutors.

With the completion of the 106-storey glass and steel tower, and support from the new administration led by Prime Minister Mahathir Mohamad, its developer believes the spectre of 1MDB is now behind it.

The building, which has a sweeping view of the city, already has a fifth of its 2.6 million sq ft of rental space locked down, with its first tenants expected to come in between December and June, a Mulia official told Reuters.

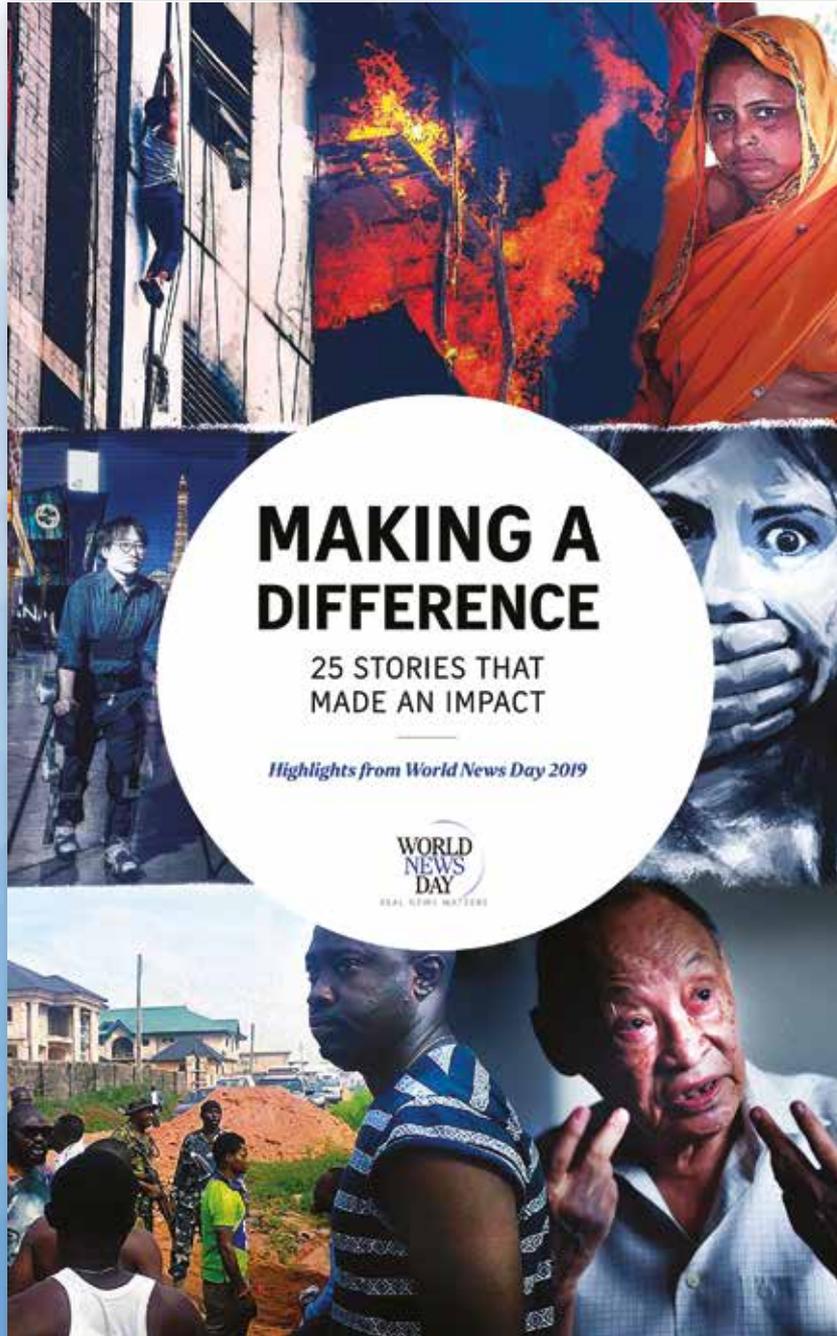
Some potential tenants include a top Fortune 500 global consulting firm, a Hong Kong-based personal care brand, e-commerce platforms, and a serviced office and co-working brand. [ST](#)

WORLD NEWS DAY

REAL NEWS MATTERS

THE BEST OF NEWS REPORTS

From the cruel practice of pressuring women workers to remove their wombs just to hold on to their jobs to a report on the medical bill of an elderly which shook up a healthcare system, *Making A Difference: 25 Stories That Made An Impact* brings together some of the best stories from World News Day 2019. It features the exemplary works of journalists from newsrooms around the world, including those in Germany, India, Nigeria, Singapore and Malaysia. This book serves as an important reminder that in today's fast-changing and complex world, good journalism matters more than ever.



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