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The Strategic Intent of a Global Hub of Hubs

Singapore's quest to be a 'hub of hubs' is a manifestation of the city-state's priority to be one step ahead of its competitors. To that end, Singapore has been seeking to broaden its linkages in every way possible even if its strategy seems to suggest a dragnet approach in the hope that at least one venture will provide a bountiful economic harvest.

Singapore's free-trade area (FTA) regime expanded in June with the much-sought-after India-Singapore Comprehensive Economic Cooperation Agreement (CECA). CECA took slightly more than two years to negotiate, and provides a boost to rapidly expanding economic ties. India is now Singapore's fastest growing market. Should the proposed ASEAN-India FTA materialize, Singapore is well placed to gain handsomely. Total ASEAN-India trade is US\$15bn a year with India-Singapore trade accounting for almost US\$7bn. By positioning itself as a pathfinder for both China and India, Singapore also hopes to tap the fast-growing Sino-Indian economic relations. The CECA enables Indian professionals in 127 specific occupations to work in Singapore and will provide impetus to Singapore's aggressive policy aimed towards attracting foreign talent. However, as with its air services negotiations with Australia, no significant inroads were made in liberalizing bilateral air services with India. Singapore favours an open skies regime to enhance its connectivity to new and existing markets. This is vital to its status as an air and sea hub and in the rejuvenation of its tourist and retail sectors.

On the diplomatic front, Singapore and the US enhanced their security relationship with a Strategic Framework Agreement for a Closer Cooperation Partnership in Defence and Security (SFA). The SFA defines Singapore as a Major Security Cooperation Partner of the US (although not a treaty ally) and formalises the 'special relationship' between the two countries. Singapore continues to urge the US to reach out to moderate, mainstream Muslims as part of the collective response to terrorism. This was most recently expressed during Prime Minister Lee Hsien Loong's July visit to the US. In another indication of its positioning as a 'civilisational cipher', Singapore hosted the inaugural Asia-Middle East Dialogue (AMED) in June, in which 21 Asian and 18 Middle East countries participated. AMED aspires to increase mutual understanding between the two regions as well as to provide a platform for moderate voices in an age of militant extremism.

Increasingly, Singapore is seeking to host high-profile global events not merely to tap the attendant economic benefits but also to strategically profile itself as a global city. In July, Singapore hosted the International Olympic Council session, which elected London as the host city for the 2012 Olympics. In 2006, the Boards of Governors of the International Monetary Fund and the World Bank Group will hold its annual meetings in Singapore, an event expected to draw 16,000 delegates and observers. By leveraging on the massive media coverage of these mega-events, the message conveyed to both domestic

and foreign audiences alike is that Singapore is a hub of geopolitical importance, vibrancy and connectedness with the world a place where people, activities, ideas, and diverse opportunities converge.

Domestically, the PAP government is further consolidating its dominant position prior to general elections, which have to be held by the latter half of 2007. Besides an extensive leadership renewal, the goal for the ruling party is to secure a convincing victory margin in Lee Hsien Loong's first general election since assuming the premiership. In view of the widening income gap confirmed by two national surveys, the government will put much effort into devising programmes to uplift the poor before calling for elections. Incumbent S R Nathan, who is 81-years old, has confirmed that he is seeking re-election as President in August. It is unlikely that there will be another candidate given the strong government backing (including the trade union movement, key business groups, and various race-based groups) for his candidacy. If President Nathan is re-elected for his second six-year term without a contest, it will mark the second consecutive time (these are the third presidential elections) that Singaporeans need not cast their ballots for their elected head of state.

WATCHPOINT: In light of the London bombings, the government will emphasise the public's critical role in safeguarding national security. It will also urge further integration of Muslim Singaporeans through the reinforcement of their unique Singaporean Muslim identity a deep Islamic commitment that is in harmony with a multiracial, globalized, and secular state.

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