Africa is on the ascent and S'pore must ride this wave, says Tharman

Singapore is ideal Asian gateway for African firms; DPM also points to policy failures in advanced world as reason for globalisation's bad rap

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Tharman Shanmugaratnam +

Singapore

GLOBALISATION has earned itself a "bad reputation" because of policy failures in the advanced world, and Deputy Prime Minister Tharman Shanmugaratnam believes this sort of negative narrative around globalisation should have no place in either Asia or Africa.

At the opening of the Africa-Singapore Business Forum on Wednesday, he cautioned Asia and Africa - the world's biggest sources of consumption growth over the next few decades - against echoing the type of anti-trade and anti-globalisation sentiment that's being felt elsewhere.

"Globalisation still has many miles to go as far as our regions are concerned, and we should avoid getting too taken by this negative narrative coming out of Europe and the US, that comes out of policy failures," he said.

Mr Tharman, who is also Coordinating Minister for Economic and Social Policies, was the guest-of-honour at the opening of the biennial conference organised by International Enterprise (IE) Singapore.

With trade and investment central to integrating the economies in Africa and Asia, he called for greater cooperation from both sides to work on good projects together and make them successful.

The Singapore government is already busy spreading its wings further across Africa, with Industry Minister S Iswaran signing new bilateral agreements with Mozambique, Ethiopia and Nigeria at the start of the forum.

More than 60 Singapore companies, including water-solutions provider Hyflux and shipping firm Pacific International Lines, are operating across more than 50 African countries, and counting.

The latest available figures show that bilateral trade between Singapore and Africa has grown at a compounded annual growth rate of 5.2 per cent since 2005, reaching S$11.5 billion last year; as of end 2014, Singapore's cumulative direct investments into Africa stood at S$22.1 billion.

During the hour-long dialogue at the Grand Copthorne Waterfront Hotel, Mr Tharman made the point that Singapore has to build stronger links with Africa, India and the rest of the emerging world; he explained that a more diversified strategy builds resilience and would help the country weather the speed bumps in the global economy.

Overall, he expressed optimism about Africa's prospects, describing the continent as one with huge potential, many opportunities and a sense of enterprise.

"We've got to be part of that opportunity. Africa is on the move," he said.

Mr Tharman also made a pitch for Singapore's strengths and advantages, urging African companies to use the Republic -a key financial centre and logistics hub - as a base to expand into the rest of Asia.

"We are a convenient base with regard to logistics and the orientation of our businesses and people, and African companies based here have found it to be an advantage to their expansion into Asia," he said.

More African businesses are also eyeing Singapore as the ideal city to site their overseas offices.

Addressing the 450 delegates at the forum earlier, IE Singapore chief executive Lee Ark Boon said that Africa's largest manpower staffing company, Adcorp Holdings, had recently announced that Singapore would be the headquarters for its "rest of the world" operations.

He said that his agency anticipated and welcomed more firms from Africa to establish themselves in Singapore and grow their Asian footprint.

Mr Tharman said Singapore can offer its vast experience in infrastructure planning and development, as well as the country's "relentless focus" on skills upgrading and ensuring workers here can progress from basic to specialised skills.

He added that Singapore is useful to others because of its expertise on both Asia and Africa, and the emerging regions in general.

"The expertise is in the businesses themselves, it's in the community of analysts, it's also in the risk-management community, which is in Singapore. So we concentrate expertise, we provide financing and we have a safe, predictable environment for businesses to base their operations for the long term," he said.

"That's our role, we try to foster businesses and foster deals, even if we are not the originators of the deals."

While Singapore will do what it can to share its knowledge and work with companies and governments abroad, it does have its limitations sometimes, Mr Tharman said.

"We have to be honest about the scale of our ambition. We are small. What we can do, we will do as well as we can."

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