

Singapore sees Macau as a growing competitor

A former adviser to the Singapore government said yesterday that the island city is losing foreign investment to countries with greater growth such as China, adding that Macau could work with the region to increase its attractiveness.

In an interview with the Straits Times management guru Dr Kenichi Ohmae said Singapore had done well in the past in attracting foreign investment, but needed a compelling new story to get a piece of the more than HKD 300 trillion 'homeless money' up for grabs.

Mr Ohmae told the daily that "Singapore is not attractive at all" compared to countries like China and Romania.

"Where's the new Singapore story? I haven't heard any," said Dr Ohmae on the sidelines of a forum on investment opportunities at the Amara Sanctuary Resort.

Dr Ohmae said Macau's growing amusement industry could help it attract business away from Singapore with the help of other cities in the region.

The former adviser sees a potential region-state comprising Shenzhen-Hong Kong-Macau as a future competitor, offering low-cost manufacturing, financial centre services and entertainment, the Times reported.

While Singapore's business-friendly government policies, attractive tax rates and solid infrastructure had served it well in the past, these will not be enough in future to draw foreign investors, said Dr Ohmae.

This is because the global investors with more than HKD 300 trillion in "homeless money" from a variety of sources, from

pensions in developed countries to sovereign wealth funds of oil-producing states, are looking for high-growth countries and companies to invest in, the Times quoted Dr Ohmae as saying.

He cited China and India, as well as the European Union, as good investment sites.

To compete, countries like Singapore must be open to new ideas and opportunities, have a well-educated workforce, and be willing to work with rivals and traditional enemies – like how Taiwanese companies are investing heavily in China despite the political differences between the governments, Dr Ohmae told the Strait Times.

Strong companies can pull in investment all on their own too, he added, citing powerhouses Microsoft and Google as examples.