

# Singapore's ruling party set to secure tenth straight victory

Prime Minister Lee Hsien Loong's popularity at stake in the election

**SINGAPORE:** Singapore started counting ballots on Saturday in elections expected to deliver a 10th-straight victory for the ruling party, whose leader Lee Hsien Loong, the son of the island nation's founding father, is now seeking his own mandate to rule.

Results are expected within hours, state news broadcaster Channel News Asia said.

The Singapore Government said in a statement that 83 per cent of the eligible 1.2 million voters had cast ballots by 5 p.m. local time, three hours before polls closed.

## The only suspense

Any suspense in the election lies in whether the struggling Opposition can boost its number of elected seats beyond two out of a total of 84.

In a bold gesture, the Opposition Workers' Party is challenging Prime Minister Lee Hsien Loong in his stronghold of Ang Mo Kio.

Mr. Lee's party won 37 seats on nomination day, as the Opposition failed to field any candidates.

Counting began immediately after the polls closed at 8 p.m. local time at more than 400 voting stations.

The Government — which has won every general election held since Singapore became independent in 1965 — maintains sharp limits on freedom of speech and assembly, and its leaders have sidelined some Op-



**CONFIDENT:** Singapore's Prime Minister and secretary-general of the ruling People's Action Party, Lee Hsien Loong (third from left), with his party members observe voters at a polling station in Singapore on Saturday. — PHOTO: AP

position figures with defamation suits that have rendered them bankrupt, making them ineligible for office.

Political observers say the real barometer of the poll, the first

electoral test of Mr. Lee's popularity since he took over as Prime Minister from Goh Chok Tong in August 2004, will be the percentage of votes the governing People's Action Party wins.

Mr. Lee has asked Singaporeans for a strong mandate, pledging not to leave the poor, the elderly and the unemployed behind while promising to deliver more of its trademark eco-

nomic progress and social stability. Opposition candidates have highlighted a growing income disparity between the rich and poor in the city-state of 4.3 million. — AP

# Off to Singapore

Free hand to IIMs, but on govt terms

The authorities of the IIMs may have reason to be happy with the HRD ministry eventually allowing them to go global. The immediate beneficiary will be IIM Bangalore which has already finalised plans to set up a campus in Singapore. That said, the general satisfaction at the level of the directors must be tempered with reality, i.e. the government has offered a free hand on its own terms. The IIMs clearly have been made to compromise on autonomy that they richly deserve as international centres of excellence. There has been no change in Arjun Singh's stand that these institutions must first meet the "internal demands" before planning overseas. As autonomous institutions, this is the business of the IIMs not the government. At last week's meeting with the HRD minister, the IIMs, notably in Kolkata and Bangalore, have readily agreed to substantially increase their intake. This newspaper's misgivings are now confirmed; the minister had deviously hinted at the need to increase intake in January when he scuttled IIM Bangalore's plan to open a campus in Singapore.

The IIMs are now free to launch off-shore operations, but they have made themselves subject to state monitoring. This is reaffirmed with the government's insistence that they must amend their Memoranda of Association if they intend to expand. This is the second condition the IIMs have agreed to abide by. The willingness to accede to the government's agenda must appear somewhat inconsistent as on the day before the meeting with the minister the six directors had expressed concern over the interference with autonomy. They had even decided to exert pressure on the government if they were again refused permission to set up shop abroad. That permission has now been granted, but Arjun Singh has had his way. He is just as assertive and overbearing as Murli Manohar Joshi in controlling the IIMs. The moral of the story must be that when it comes to exercising state control over learning, the mindset of the saffronite and the supposedly secular are not wholly dissimilar.

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THE STATESMAN

# “We are seeing the renaissance of Asia led by China and by India”

Singapore remains committed to its Comprehensive Economic Cooperation Agreement with India, says Senior Minister and former Prime Minister **Goh Chok Tong**. In an interview in Singapore before his departure for India to attend the Partnership Summit being organised by the Confederation of Indian Industry, Mr. Goh takes stock of the bilateral relations. Excerpts:

P.S. Suryanarayana

*Handwritten: P.S. Suryanarayana*

**For Singapore investors, India continues to be an optional destination rather than a preferred destination as was expected under the Comprehensive Economic Cooperation Agreement (CECA), which the two countries signed in June 2005.**

**Mr. Goh:** China has always been a major destination for Singapore investors. China opened up much earlier than India. Secondly, most of our business people are of Chinese origin. There are [ethnic] Indian businessmen, much fewer than the Chinese. The Chinese businessmen have advantage, compared to India, when they go to China.

When I was Prime Minister, I saw the potential of India. Why? India has talent, both inside and outside India. Secondly, India has a big population, which means it has a huge market. India also has abundant labour. I, therefore, encouraged Singapore businessmen to go to India.

Now that India has proven that it is [staying] on track in its reforms, there will be increased interest in India. But compared to China, it will remain small, for the time being.

I see it as my job, when I go to India, to tell people that the potential is not quite realised by Singapore businesspeople: Look at India, not as an alternative to China, [but] as a new area which we have not been tapping.

**Will CECA be a stimulant?**

CECA document is 700-page thick. And, it is only half-a-year old. We have to do a lot of [selling of] what CECA means for businesspeople, not just India, not just Singapore business people but also for multinational companies based in Singapore or who would base their operations out of Singapore.

There will be stronger protection for our [Singaporean] investments under CECA. And, there could be some capital gains advantage. Services would also benefit. We are exploring mutual recognition agreements [whereby] India will benefit more than Singapore. I would expect Indian professionals to come to Singapore in larger numbers than they are able to come now. This needs to be given a push, which we are trying to do.

**That particular dialogue also seems to have hit the slow track.**

It is unfortunate. When you leave the matter to the professional organisations, they want to protect their own professions. From the government side, we are going to push and make sure that they are on track.

For the banking side, we have admitted two [Indian] banks into Singapore: Baroda, which is an offshore bank, and UTI, a merchant bank. There is definite interest by our local banks to set up branches in India. We are committed to CECA.

**Your sense about how committed India is to CECA.**



*Goh Chok Tong: “India is moving, reforming, and performing.”*

— PHOTO: RAJEEV BHATT.

They are committed. We should not raise expectations, CECA is a free-trade agreement, Singapore is a fairly free economy. There are other factors [which] will include alternative destinations for investments, alternative markets.

**The other factor, China, has always been a fact of life in India-Singapore interactions. In that sense, one expected CECA to act as a stimulant or a catalyst ...**

How big a stimulant, I don't know. Because of our resources being committed to China and now [because] Singapore is looking at Middle East, I would not expect a sudden flourishing of trade and investments between both countries [India and Singapore]. It will be a stimulant, but the dosage, I

am unable to assess at this moment.

**Are you sure there will be no slide-back?**

As far as the [Singapore] Government is concerned, I am sure there will be no slide-back.

But the [ethnic] Chinese businessmen feel that they are more comfortable in China.

**Are you looking at any time-frame for CECA success?**

Give it two years. There is some disappointment [now] just because we were raising expectations. We have done free trade agreements with other people.

We know that it helps, but you would not see a sudden transformation of relationship.

**Do you at least see CECA as a new dynamic?**

Yes, of course. Implementation is slower than what you want. I will be assuring my Indian counterparts [and] businesspeople that Singapore remains committed to CECA. We never believe in paper agreements.

**As the original architect of CECA in relation to India, what is your summing up at the present moment?**

This is like a marathon. It is not a 100-metre dash.

**Most of Singapore's investments in India are equity-oriented rather than direct, participative ...**

That is probably true. We are a capital-exporting country. Bear in mind that these are not short-term investments [in India]. Direct investments mainly have gone into property, because Singapore's expertise is in property development, industrial estate. You are sinking money into the ground. If the Indian economy doesn't take off, your money is stuck in the ground.

Singapore's strength in manufacturing is in sub-contracting for MNCs (multinational companies). If you are looking for a burst of investments from Singapore in the manufacturing sector in India, it is not there. It is also not there in China.

**In the infrastructure sector, the Changi Airport episode (pullout from an Indian airport project bid) ...**

Optimistic assessment is we are still with the learning phase. When they [Changi Airport] discovered that there were certain things which they could not quite deliver, they pulled out. The returns were not what they expected.

**Can this shock be absorbed?**

It is possible. Port of Singapore Authority [too] would want [only] ports which can be linked to Singapore. We have no direct influence [over government-linked companies], we do not interfere.

**No alarm bells on the Singapore-India economic front? Wake-up calls?**

There are wake-up calls. I am not alarmed. But I am, in a sense, disturbed that it could have repercussions beyond the failed joint venture projects.

**Your famous statement about India and China being the two wings of the ASEAN (Association of South East Asian Nations) jumbo jet. Is it (true) after the recent East Asia Summit?**

Yes. I am quite struck by Prime Minister Manmohan Singh's vision of East Asia community and pan-East Asia free trade area. I continue to believe that we are seeing the renaissance of Asia led by China and by India. Both are stirring.

At this stage, China is faster than India, but India is also moving, reforming, and performing.

# A big loss to India: Goh Chok Tong

Special Correspondent

**AHMEDABAD:** The former Singapore Prime Minister and currently a senior minister and chairman of the Singapore Monetary Authority, Goh Chok Tong, on Sunday invited the Indian "institutes of repute" to set up campuses in his country if allowed by the Government of India. Mr. Tong is currently on a two-day visit to Gujarat and is scheduled to meet Chief Minister Narendra Modi and some senior government officials in Gandhinagar on Monday to discuss business opportunities.

Talking to media persons after a visit to the campus of the Indian Institute of Management here and discussions with its senior faculty members, Mr. Tong said he was impressed with its achievements and his country would welcome the IIMA and such reputed Indian institutions to set up campuses in Singapore.

About the Central Government's recent refusal of permission to the IIM, Bangalore, to set up a campus in Singapore, Mr. Tong said the decision was unfortunate and a big financial loss to India. It would have provided

a big opportunity to the IIMB to make huge profits.

He said he was informed about the IIMA's tie-ups with many institutions of repute in the western countries. It had recently entered into an agreement with the National University of Singapore.

He said that even EFFEC, the French business school considered to be the sixth best in the world, was in the process of setting up one. It was expected to start functioning from May this year. For the IIMA, however, it would mean an indirect entry into Singapore as it entered into a tie-up with EFFEC in October, last year, for exchange of course materials, faculty members and students. The IIMA director, Bakul Dholakia, did not see any problem in this regard as the IIM, Bangalore, had to deal with the Central Government.

Prof. Dholakia said that since the IIMA was not setting up its own campus, it would not require separate permission from the Central Government. It would only be sending the faculty members for coaching under the "comprehensive tie-up" with EFFEC.

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