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### Listening to Asia's Heartbeat

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## Listening to Asia's heartbeat

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*Changes of government usually mean new policies. But a renewed focus on its place in Asia will enhance the already sound Australia-Singapore relationship.*

The combination of complementarities, investment and opportunities, especially in the agri-business, energy and tourism sectors, is expected to drive further development between the Singapore and Australia, despite the change in government, says the Australian High Commissioner to Singapore, **Philip Green**.

“Inevitably, when governments change in Australia, the big question is whether the enthusiasm for the Asian growth story that we’ve seen over the last couple of years is going to be sustained,” he told Perspectives@SMU, answering that question enthusiastically, and in the affirmative.

In September 2013, Australia's new Prime Minister, Tony Abbott, took office, replacing Kevin Rudd. Abbott is often heard to be saying that in Australian foreign policy, he wants to have "more Jakarta, less Geneva".

Meanwhile, for her part, incoming Foreign Minister, Julie Bishop, has indicated very clearly that Asia is the core of her foreign policy and secondly, that Singapore has a key place in that policy.

A fact, adds Green that is evidenced by her recent trip to Singapore, part of her first 'sweep' through Asia.

"The new team in Australia very profoundly thinks that Asia is the future for our foreign policy. Currents and shifts will come and go, but the deep underlying heartbeat is of Asia with its rising young populations and productivity gains," he affirms.

An underlying positive element is that Australia and Singapore's foreign policies are converging. "We see many things alike and I think that's growing," he says.

## **The complementarities**

According to Green, the bilateral relationship with Singapore is one of Australia's closest and most comprehensive. The relationship is based on long-standing Commonwealth, defence, education, political, trade and tourism links, as well as on the two countries' similar strategic outlook.

Singapore is now the fourth largest investor in Australia, after the United States, Japan, and the United Kingdom. Its steady progression from a regional to global wealth management centre will strengthen that relationship further and Green believes the emergence of the wealth management sector presents great complementarities with Australia.

"At this phase in Australia's development, I think there's going to be a really strong match between financing from Singapore and infrastructure-building in Australia."

Key areas in the Singapore-Australia relationship are agri-business, energy and tourism—where Singapore is one of Australia's major sources of short-term visitors with 343,600 Singaporean tourists visiting Australia in 2012.

Green revealed that in its 2012 White Paper, the Australian Government identified two important future trends: the economies of Asia will double in size between now and 2025, and that the middle class in Asia will grow at a much faster rate—even six-fold—between now and 2030.

In the wider context, he talks of the complementarities between Australia and Asia going forward. "As Asia faces an energy shortfall, the demand for food will rise, and as Asia's megacities grow, there will be opportunities for people to source what they need from Australia."

In such a situation, he believes, Singapore represents a key part of Asia's value chains.

“I would like to see more products from Australia moving through Singapore to the rest of the region. Food is a great example. Singaporeans understand instinctively which food products that the rising middle class in Asia will need. We’ll be able to produce it, and we’ll export some of it directly.”

Australian policy makers, he says, are aware that food and energy security issues are areas of strength for Australia and of the role of Singapore in identifying marketing opportunities.

“This would include production of items in the sort of format that Asian consumers will most appreciate. In that light, there’s a great opportunity before us.”

## **ASEAN Connectivity 2015**

Opportunities are also likely to be further enhanced by ASEAN Connectivity 2015, which Green views as positive for Australia.

Australia’s relationship with ASEAN dates back 40 years, and she was ASEAN’s first dialogue partner. Meanwhile, within ASEAN, Singapore is Australia’s largest trade and investment partner.

“The Connectivity agenda for ASEAN is a good one for us,” he says of the organisation’s open trading environment. “Not least because we have firms that are very strong in areas like logistics. I see Australian firms like Toll and Ezy and Linfox—now deeply involved in trucking and freight—as operating in the transport business. And they will benefit from Connectivity. So I think that’s all positive for us.”

The future is bright, he reiterates. “But I don’t think we’re anywhere near fulfilling the potential for Singapore investment in Australia.”

*Philip Green was the guest speaker at ‘Conversations with Ambassadors 2013’ at SMU’s Wee Kim Wee Centre*