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SINGAPORE AND RE-ENGINEERING ECONOMIC SPACE: OBSERVATIONS FROM THE MIDDLE EAST

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ABSTRACT

The hallmark of the Singapore state-led, market-driven interventions, and their efficacy, have often been a matter of academic contention. This paper, as part of our series on this topic, revisits Singapore’s state-enterprise strategy in the context of the city-state’s determined efforts at internationalization through a series of state-engineered projects, orchestrated to encapsulate economic space for Singapore-based firms to expand into the region and beyond. This internationalization stratagem remains controversial; premised, as they are, on the exportability of Singapore’s state credibility, systemic and operational efficiencies as well as technological competencies of Singaporean companies, government-linked or otherwise, to locations where these attributes are less distinct. To shed some light on this controversy, and to add an ‘Arabian allure’ to our ongoing research, we present evidence from the gambits of Singapore companies into the GCC countries. Our results show that the strategic advantage created in the Singapore-styled mega-projects remains uncertain; that the performance of Singapore companies is stable, if unspectacular. At the same time, however, additional complications relating to individual socio-political environments continue to plague these mega-projects, even as they adapt to impending challenges in a changing environment.

Key Words: Internationalization, Singapore Companies, GCC Countries
INTRODUCTION

From a history of post-colonial uncertainty to that of a premier location for multinational enterprise, Singapore’s development strategies of state-led, market-driven interventions have been a matter of academic interest (Rodan, 1989; Huff, 1995). The Singapore government’s corruption-free administration throughout the years, coupled with infrastructural efficiency and the overall integrity of its legal and financial systems, have played a central role in attracting foreign direct investments to fuel the city-state’s economic development. The constraints of a city-state, however, rendered it an imperative for Singapore’s economic planners to re-examine and re-engineer the city-state’s investment horizons. The Singapore Economic Development Board (SEDB) positioned the city-state’s internationalization strategy in a policy paper, Gearing Up for an Enhanced Role in the Global Economy (SEDB, 1988). The 1990 Global Strategies Conference and the 1993 Regionalization Forum added new dimensions to these deliberations (SEDB 1990, 1993), while the Singapore Ministry of Finance’s 1993 Report and the policy documents, Singapore Unlimited and Regionalization 2000, encapsulated the stratagem for Singapore’s participation in the dynamic growth of regional economies like Indonesia, Vietnam and China (SEDB, 1995a, 1995b). Various scholarly works have taken these discussions forward (Okposin, 1999; Yeoh, et al, 2006; How & Yeoh, 2007).

The Singapore government’s role as a facilitator and partner is evident from the creation of familiar and friendly Singapore-havens (via industrial parks in neighboring countries) and the restructuring of tax policies (Singapore Ministry of Finance, 1993). The state also embarked on fostering trusted regional networks identical to those within its domestic market, whereby interlocking interests and a perceived commonality of values were to crystallize a system of cooperative competition. Implicit in this stratagem was the government’s intent to draw on its state enterprise network or, in local parlance, Singapore Inc., and extend this network to facilitate business ventures in the region. This strategy to remain economically competitive in the global economy has been characterized by the building of platforms for national growth through the management of strategic alliances and ‘collaborations’ with private or semi-private enterprises on national economic projects. Theoretically, the ‘vested interests’ within the interlinked collaborative system were to serve to expedite processes, garner exclusive incentives, and negate inept bureaucracy; like parts in an intricate and complex machine (Yeoh et al, 2004).

This strategy itself is a synergy of state intervention policies. Political leaders, in the initial phase, negotiate the projects’ institutional framework that typically involves the garnering of special investment conditions in the host locations. They also secure endorsements from host-country governments to provide political patronage and protection to the projects, which are critical for attracting potential investors. Following which, government-led consortia, typically comprising of Singapore government agencies and government-linked companies (GLCs), take on the role of primary investors in the Singapore-styled developments; justified by the perceived reluctance of firms in the private-sector to take on investments of such gargantuan scale, and given the considerable time lag before any realization of investment would materialize. Moreover, the high risks involved in venturing into a relatively undeveloped and unfamiliar locale renders such projects inherently unattractive to private enterprises, due to the uncertain political climate and investors’ interests. The Singapore government takes on the role of a ‘business architect’ and ‘knowledge arbitrageur’, identifies business opportunities, and brings together the private sector and commercial segments of the
public sector in Singapore, as well as foreign companies with specific competencies, to undertake these large-scale investment projects. The presence of government agencies and government-linked companies adds weight to this internationalization stratagem.

THEORETICAL CONSIDERATIONS

Dunning’s (1988, 2001) eclectic paradigm proffers an analytical framework in which to examine the patterns and extent of activities of firms engaged in value-added activities beyond their national boundaries. It seeks to explain the ability and willingness of firms to serve markets by delving into the reasons behind their choice of exploiting this advantage through foreign production rather than domestic production, exports or portfolio resource flows. The eclectic paradigm postulates that foreign investment will only occur if it is advantageous to combine spatially transferable intermediate products in the home country, with at least some immobile factor endowments or other intermediate products in another country (Dunning, 1988, 2000). Specifically, the configuration of ownership-specific advantages (O), location-specific advantages (L) and internalization-incentive advantages (I) – the three types of advantages into which Dunning classifies the reasons for the behavior of firms – determines international production and it’s nature.

The framework goes on to assert that the importance of each advantage of the OLI triumvirate, and the relationships between them, varies across firms, industries and countries, and are context-specific; based on factors, including the firm’s country of origin, and the country it seeks to invest in. What is common, however, is the appropriation of the O-advantages through the exploitation of firm-specific resources, and the simultaneous procurement of I-advantages through the diminution of transaction costs. Subsequent iterations drew attention to L(ocation)-advantages (Dunning, 1998; Jovanovic, 2003), and agglomeration benefits of knowledge spillovers (Krugman, 1991), transactional benefits of spatial proximity (Porter, 1998) and immobile clusters of complementary value-added activities (Markusen, 1996). As well, as firm’s core competencies become increasingly knowledge-intensive, the location in which firms locate their production, organization and use of assets emerges as a critical competitive advantage (Dunning, 2000a). MNEs continue to seek locations (economic and institutional facilities) that are best utilizing their core competencies.

More recent literature has given centre stage to the role of governments in advancing the competitiveness of a country (or region within a country), as created assets supersede natural factor endowments as a key determinant of location. Dunning (1997b) and Stopford (1999) also argue that governments need to ensure that the availability, quality and cost effectiveness of general purpose inputs have to match up to the standards of their global competitors, as well as to create and sustain an institutional framework and ethos. This is to facilitate a continuous upgrading of the resources and capabilities within its jurisdiction and facilitate, rather than impede micro-regional clusters development and upgrading (Porter, 2000).

Singapore’s gambits in the GCC countries represent collaborative efforts by the Singapore and respective host governments to create location-bound advantages within more uncertain environments, through a propitious combination of cost-effective factors of production, efficient infrastructure and management expertise, i.e. supplementing natural location-specific advantages with engineered ones crafted to complement the economic diversification efforts in the host locations. The strong presence of Singapore’s GLCs amongst the
internationalizing firms, and the plethora of incentives made available to Singapore firms venturing into the GCC, maintain the relevance of discussion of political nuances, *inter alia*, Dunning’s alliance capitalism.

In the following section, we briefly outline the circumstances under which many Singapore companies covered entered into the Middle East, specifically Bahrain and the United Arab Emirates (UAE), and the various situational factors deriving therefrom. Thereafter, we present case studies of Singapore companies, government-linked or not, that have ventured into these two regions, discuss the various issues and challenges faced by these companies, and finally conclude with our preliminary conclusions on the state of Singapore internationalization into the GCC region.

**SINGAPORE’S GAMBITs IN BAHRAIN AND THE UNITED ARAB EMIRATES**

There is a strong demand for Singaporean presence in Middle Eastern developments, and Singapore’s service offerings have a strong positioning. The Singapore brand is highly regarded, seen as a standard of quality in Arab business and government circles. They are keen to learn from Singapore’s track record in city-scale infrastructure implementation. With most Middle East economies dominated by government spending, especially through state-backed government-linked companies (GLCs), it is easy for Singapore to fully capitalise on the city-state’s positive reputation. This is further aided by the “looking east” strategy adopted by GCC countries, post-911.

Singapore companies entered the 1st phase of the Middle East boom with architects, developers and master planners having successfully marketed the Singapore brand and excellence in the region (International Enterprise Singapore, 2007/2008). Broadly classified, Singapore companies that have made the internationalizing journey to the GCC countries fall into several classifications, with Singapore GLCs leading the way into this relatively new frontier of investment and internationalization, but with non-GLCs following close behind, relying for the most part on their own business acumen and strategies, but taking advantage of support from both Singapore governmental entities, such as International Enterprise Singapore, and business groups, such as the Singapore Business Federation (SBF), which have also taken a keen interest in the internationalization efforts. It goes without saying, however, that the methods, motives, and machinations of these two support groups are markedly different; and similarly, it need not be said that both the occurrence of unfortunate events in recent years and the lessons learnt over time have necessitated a shift in some priorities in both support groups.

As previously stated, there exists a clear distinction between Singapore entrants into the Middle East, which comprise GLCs on one side of the divide, with policy-based goals jostling for space with corporate ones, and their non-GLC counterparts with less lofty and more practical aspirations on the other. Furthermore, while the majority of GLCs such as CapitaLand, Changi Airports International, Jurong International, Keppel Corporation, SembCorp Industries and Surbana International are involved in property and/or infrastructure development, with the attendant issues of scale, non-GLCs expanding in the region can be further categorized into those also involved in consultancy services like DP Architects, RSP Architects and Design Studio; in lifestyle and entertainment services like Cathay (cinplexes); in food and beverage operations like BreadTalk, Fish and Co, IndoChine, Pastamania and Corona; in retail-franchise arrangements such as Charles & Keith, Osim, PrettyFit and Royal Sporting House; and in the
next phase, from healthcare services such as Raffles Medical Group and Parkway Healthcare (Sources: IE Singapore (Beyond Singapore), special issues on Middle East; The Business Times, various issues, 2006-2010; The Straits Times, various issues, 2006-2010; corporate websites).

Our case studies, drawn from the real estate and hospitality sectors, have been selected to reflect both dichotomies. Companies A and B are Singapore government-linked companies.

**Company A: Property Development (Commercial & Residential)**

Among the largest and oldest players in Singapore’s property and development industry through the dual advantages of government links, massive capital reserves and a proven international track record, Company A finds itself in much the opposite position in the Middle East; a rather late entrant which, by a measure of scale, finds itself a half-magnitude or so below some of the major players in the region. Some measure of prescience, perhaps, was shown in the company placing its 2005 entries in Bahrain and Abu Dhabi, which both have the same deep pockets but lack the degree of overcrowding seen at the time in Dubai, and which are, apparently, not yet ‘mature markets’, at least in the property and development industry. Certainly, the springboard potential of these two locations were a factor as well – Bahrain for its financial hub status across the entire region, and a test-bed for the Saudi market, and Abu Dhabi as the second most convenient location to infiltrate the UAE market. The trigger for entry in both cases, however, appears to have been the same – an invitation by local firms to enter into a partnership for particular projects. No such convenient invitation from Dubai appears to have materialized for Company A as yet – nor does one look likely to be forthcoming, especially under current conditions.

Similarly, the local partners in both Bahrain and Abu Dhabi play the role of liaison and buffer, having brought Company A into their respective markets and shielding it from socio-political forces. For the ostensible sake of coordinating efforts with said local partners, Company A, which technically has four arms to its property and development business, has chosen in both cases to bring only its real estate expertise to the table, unwilling, it seems, to extend its product line to corporate offices (this being partially a function of the nature of the developments it is involved in), nor finding it necessary to provide financial services when such a deep and ready pool of capital already lies in the region. Also, the projects it is undertaking in both cities are iconic and immense, of which the company is responsible for the construction of a good percentage thereof; in other words, projects which can make or break the company’s foray into the region. Company A seems prepared to tackle the sheer scale of these projects, and not just because of a greater wealth of experience with large-scale projects, but it also has fewer reservations with making a significant capital commitment to its operations in Bahrain and Abu Dhabi; its Bahrain operations are funded by a shariah-compliant fund, with capital of over US$350 million, invested expressly for this venture, whereas interviews reveal a far greater willingness than most to glut staff counts when necessary. This staff complement, however, is still strongly Singaporean-dominated, owing to the company’s GLC status; and while these regional offices enjoy a far greater degree of autonomy, the representatives of these offices reveal a worrying amount of competitive focus on competitors in the home region (i.e. from around Singapore) rather than on major international players in the same market, many of whom (as previously noted) already saturate Dubai, extend feelers into Abu Dhabi, and are far from being unknown in Bahrain.
Perhaps the company believes it has time to establish a brand name and solid market presence before it has to truly deal with such competitors in its markets of choice.

A further issue, in fact, lies in the nature of aforementioned ‘brand name’, where much of the goodwill accrued by the said brand is predicated upon the conjunction of the various parts of its operations, including all four arms of its property and development business – which have not all been implanted into its Middle East operations. This will be somewhat hard to achieve, when one is not the majority owner of the said properties, and will have local politics and tribal allegiances to consider, as is the situation Company A will find itself in Bahrain and Abu Dhabi. Dispute, in fact, has previously already arisen pertaining to the management of the project – conflict triggered, perhaps, by recent global recession, but one with its roots in the very foundation of the project, and the approach undertaken by Company A. Strategy, in this case, may very well have spawned a disconnect with competency; and given the scale and iconic status of Company A’s initial foray into these two territories, any form of failure may well prove fatal to the company’s further development in the region.

Company B: Property Development (Industrial)

Company B is another Singapore government-linked company extending its operations into the Middle East. Company B focuses on industrial development projects, rather than hospitality, retail or lifestyle developments; also, while initially purely a consultancy firm, the company has recently expanded into the actual planning of industrial townships, and is currently engaged in an iconic industrial development in Abu Dhabi. It has also since established offices in other emirates in the UAE, Qatar, and Saudi Arabia.

Company B is, in fact, a relatively recent entity, having been incorporated in 2001, but being a GLC, inherited much of its staff, contacts, contracts, and operational procedures from its parent agencies and companies. Its current contract in Abu Dhabi, indeed, appears to have been one of these inherited contracts; its parent bodies having initially been invited to review the abovementioned development before its incorporation. As such, the company shares many of the aspects of the GLCs of its type, including the mechanism by which it entered the Middle East – through invitation – and the issues which it has encountered thus far, including, at the current time, the presence of many internationally renowned players in the property development sector having arrived and established themselves beforehand. The company has, however, developed a positive reputation for itself in the years since its conception, partially owing to the large degree of autonomy granted to its regional offices, resulting in a greater capacity for adaptation to local socio-political forces, and eliminating the time delay that a greater reliance on the home office in Singapore would spawn. And, indeed, the company appears to have been rather more proactive in its internationalization approach than most; while, like many other GLCs, its chosen mode of entry is through joint ventures and partnerships with politically powerful partner firms (often local GLCs themselves), Company B appears to have been the inviter as often as it has been, so to speak, the invitee. This is, we feel, a positive contributor towards the company's nascent but growing reputation in the Middle East, and appears to have been a key factor in their relatively rapid expansion across the region. Another contributing factor, perhaps, is the company's stated focus on teamwork and integrity; a focus that not only echoes Singapore's purported selling points, but resounds with their highly social and trust-oriented Arabic partners.
Yet these same 'selling points' contain an issue endemic to most GLCs expanding into the region; the expectation, from both local partners as well as the home office, of the company exporting Singapore's qualities of efficiency and reliability. From the home office, this translates into pressure on the company to achieve goals not immediate to the success of their projects, or indeed to their operations in general; from local partners, this creates the perennial risk of the occurrence of an expectation gap resulting from the impact of socio-political factors. Thus far, however, such disconnect in goals and communication does not seem imminent; perhaps, indeed, precisely because of the company's relatively recent 'conception'. Company B, in fact, appears to be one of the more positive role models among Singapore’s GLCs in the Middle East thus far; a testament, perhaps, to a more decentralized approach to Singapore internationalization, and one with less political baggage.

Company C: Property Development (Consultancy & Design)

Company C is one of Singapore’s premier architectural design and consultancy firms, and has international offices in much of Southeast Asia and in major development spots such as China and India. Given this fact, it was rather unsurprising that Company C would seek to expand into the Middle East – specifically Dubai – in an attempt to profit from the property boom. In de facto partnership with a major property developer, thanks to personal connections, Company C made its entry into the emirate in 2003; among the first of its Singapore peers to do so, but very much a late mover among internationally acclaimed firms with operations in the design and construction industry. Taking this, as well as other factors mentioned later, into account, it is quite probable that Company C owes its strategic position in Dubai largely to its relationship with the emirate’s largest property conglomerate.

With a major local partner as a buffer for socio-political and economic forces even before actual entry into Dubai, Company C had a rather more sheltered experience than most, and has continued to capitalize on the local partners to deal with the local context, by adopting the strategy of hiring local consultants to handle procedures unfamiliar to the highly Singaporean management of Company C, among other sub-contracts. Part of this is intelligent practicality, but just as much of it is necessity, stemming largely from two reasons. The first of these reasons is Company C’s management system, where decision-making authority is heavily concentrated in the company’s Singapore office, a global strategy which ostensibly allows for greater potential economies of scale. Staff from the main office, together with funds and limited authority of agency, is dispersed to local offices to help ‘customize products’ to the specific needs of the client. In practice, however, despite the smoother processes engendered by the close incorporation of the local office into Company C’s corporate structure, factors both physical and mental often create unnecessary delays and place strains on the company’s operations. A five hour time zone difference between Dubai and Singapore, and the odd and rather fluid schedules of some Emirati clients - unavoidably create periods of time where responsiveness and decision-making is not at its peak. As well, the necessity to communicate with the home office on major decisions creates significant opportunities for miscommunication and wrong-footing, a problem only exacerbated by disconnects between the home office and local conditions that is symptomatic of similar organizational systems. The presence of local consultants, and of their local partners, has been invaluable thus far in avoiding any significant slip-ups of this nature; it remains to be seen whether these will be enough in the future.
Dubai does not do half-measures, and its full measures are decidedly larger than those of most other countries, including those of pretty much everywhere. The sheer difference in scale goes beyond ‘daunting’ and creeps into ‘unfathomable’ – and indeed, with abundant local help or not, it is to Company C’s credit that they encountered few major issues with the iconic project they were involved with. It remains a mystery, though, that Company C’s office in Dubai remains relatively small, with a staff count of only some 80 members; given the manpower requirements that even an average one of Dubai’s large-scale developments requires, this trim and cost-saving staff count does not really seem to be doing Company C any favors. And, such cost-reducing measures do indeed seem to be on the collective mind of the company; interviews indicate an incremental approach to staff increases and the transfer of master planning processes and products, for the lower commitment level and lighter sunk investment required. That such endemically Singaporean thought processes continue to rule the company’s strategy at, perhaps, the expense of more practical business concerns should, it is felt, be a matter of concern for Company C. Some competencies do not transfer well, if at all. That said, such an approach meant that Company C suffered relatively less than many of its peers during the Dubai debt crisis, and from following regional instabilities; how much of this is owed to foresight, and how much to habit, though, is unclear.

**Company D: Property Development & Management (Resorts & Spas)**

Company D is in the business of constructing, managing, and operating site-intensive spas, hotels, and specialty resorts. Company D is a long-time entrant in the Middle East, having made its presence felt for nearly a decade; as such, it has made little to no use of (Singapore) government incentives and support schemes, having been established long before the island-state’s attention turned fully to the region. In more recent years, however, Company D has taken its expansion in the region to aggressive levels, concurrent with its entrance into the UAE, an unprecedented pace of expansion appearing to be fed by the equally unrepressed (at the time) mushrooming of the region itself, most notably, in Dubai and Abu Dhabi. Understandably, then, there were few worries about sustainability in the short-term, especially given the large amounts of capital their Arab partners were willing to sink into developments of this nature; the real issue would have been of long-term sustainability, and inextricably tied to the question of the long-term sustainability of the rate of growth of Bahrain and the UAE themselves. It goes without saying, unfortunately, that said long-term sustainability has since been found somewhat lacking.

Originally, the company seemed poised to take advantage of the Middle East boom, with seeming imperviousness to many endemic issues that plagued other corporate entrants. Company D’s operations were built to capitalize on the natural landscapes of the Middle Eastern environment, and were largely constructed with architecture in the Middle Eastern style, on much the same basis. Despite this, however, management of these spas and resorts was still very much Asian in concept and flavor, a purportedly ‘signature exotic and reclusive character’ with excellent and unobtrusive service, in other words, much the same as its developments in other countries. In this case, it appeared that the very nature of Company D’s brand and industry – selling ‘Asian hospitality’ – allows it to train and then transfer its core competencies over to the Middle East nearly intact. It probably helped that, among these core competencies, were a focus on people management and handling cultural differences, subjects covered extensively during staff training; a set of skills at its core naturally adaptive in nature, and well-suited to the challenges of internationalization. The business model behind their resorts was also positioned to cushion the pressures of new frontiers; limited
'strategic partnerships’ with the actual owners of the land, via management contracts, engage the efforts of their local partners to smooth the transition.

However, the destabilizing influences of global recession of 2007-2008, and the Dubai debt crisis that ensued, proved enough to halt Company D’s expansion dead in its tracks. Company D’s seeming imperviousness to socio-political forces was reliant to a great extent on the strength of its brand; with a sudden dearth of its premium guests, and a new lack of funding among (and therefore, from) local partners, the said brand quickly found itself on the wane in the region, with Company D suddenly finding the going a lot closer to the rocky mountain side of some of its resorts than that of the pristine desert dunes of others. Even before the political unrest in some areas resulting from events in Egypt, Company D was unfortunately in the process of retreat from several areas in the region; a process not without acrimony and legal tussles.

OUR FINDINGS

Our previous research into Singapore’s regionalization programs provides telling evidence towards the critical importance of the socio-political dimension towards the location and eventual performance of international investments. Our research on the internationalization of Singapore companies into the GCC further reveals a somewhat disturbing, but not altogether unexpected, reliance on local (GCC) partners and equally Singaporean third-party organizations such as IE Singapore (and less so, Singapore Business Federation) to shield firms – government-linked or otherwise – from the reportedly rocky socio-political forces of the region. Unsurprising as it is, evoking as it does echoes of the ‘partnerships’ with host governments that were the chosen vehicle for Singapore’s regionalization initiatives, it is a strategy with obvious limitations – some immediately apparent, such as the possibility of conflicting goals causing friction between partners and threatening to derail the project itself, and some initially less so, until some years further in, when Singaporean companies find themselves with limited relevance due to ‘local partners’ learning from their processes and expertise. The former, in the wake of the global financial crisis, have already emerged, with the primarily business concerns of local partners finding areas of disconnect with their Singapore counterparts amongst financial aftershocks; and further exacerbated in some areas of the region as a result of political instability in the wake of events in Egypt and Tunisia. At the current time, it is unknown, and somewhat doubtful, whether many of the Singapore companies in the GCC countries will be able to step up to the plate for the challenge of ‘doing business in the Middle East’ without a guiding hand, given the abovementioned narrow focus and overly cautious entry shown by some of the case-study companies. Most Singapore companies, it seems, have yet to embrace fully a true entrepreneurial mindset in their internationalization efforts.

Conversant to the above, the transfer of core competencies by these companies to their operations in the GCC countries appear to have been, by and large, been performed under the aegis of the same local partnerships, with rather mixed results. In Company A’s case, for strategic, budgetary or other miscellaneous considerations, not enough competencies may have been imported into their operations; certainly not enough to have conclusive, or even inferential, proof as to how effective said competencies may or may not have been. In other cases (e.g. Company C), the transfer of ‘core competencies’ has arguably been more hindrance than help, with an organizational structure of ostensible benefit to the company’s global operations creating time delays and opportunities for miscommunication, and allowing an
endemically Singaporean thought process to carry too much weight in the conducting of business in a distinctly different environment. Thus far, the best performance has been turned in by companies whose very product and very brand have a utility that is unique in nature, and not easily replaced, as with Company D; which is unsurprising, given that such unique products generally have some degree of resistance to socio-political factors; however, the rarefied nature of this product arguably may have led to a lack of resilience against financial shocks, the repercussions of which continue to plague Company D.

We also find, intuitively, that companies with a more international focus had progressively fewer issues with the socio-political environments of the GCC countries – presumably due to the more international focus, as opposed to a preoccupation with domestic issues, creating a greater flexibility in operations. This often translates to an equivalent willingness to adapt. We surmise that such an international focus is also generally less conducive to the identification of particular business concepts and qualities as ‘core competencies’ – which, by and large, we find to not have been helpful, and possibly even hindering, operations in the GCC economies. Thus, the theorized necessity for ‘new viewpoints’ – for companies to leave behind preconceptions and realize the greater need for companies to enact change in response to new business environments, to build new wings to their business with expertise, but not expectation. Perhaps even on a literal level; it is interesting, to say the least, that Company B, a relatively new entity among Singapore GLCs, should seem to find less trouble in taking a pro-active, international, and adaptive approach to business in the GCC countries. Developing a good eye for business in the Middle East, perhaps, may be as simple as a pair of new glasses.

These observations dovetail neatly with those expressed in our interviews with representatives from both IE Singapore and the Singapore Business Federation, particularly with regards to over-reliance on 'core competencies' and weakness in relationship management (Yeoh & How, forthcoming); issues which, we note from our past research, appear endemic to Singapore companies in other regions, but which have all the more negative impact in environments as unique as those of the GCC economies.

**CONCLUSION**

With these preliminary findings in mind, Singapore companies looking to expand into the Middle East would be well-advised to consider carefully how far to attempt to do things ‘as they have always done so before’. Results from further years in the region – especially, in the case of those in the property sector, post-completion of their current projects (which may, in certain cases, be a while in the coming) – will no doubt be most enlightening as to the benefits and pitfalls of reliance on what companies like to call their ‘core competencies’.

In the wake of the Dubai debacle, the GCC region now perhaps carries the weight of a deserved dose of caution among both local partners and foreign entrants towards grandiose projects; and is also a region where the influence of socio-political forces on business cannot have been more strongly underlined than by the aftereffects of events in Egypt and Tunisia. Nevertheless, however, it remains a fact that the region is a fast-developing area with ample potential as a development frontier, and certainly still looks to remain such for the foreseeable future; and as such, our research, going forward, will continue to place the magnifying glass on the regions touched upon in this paper (Bahrain, Abu Dhabi and Dubai), as well as other investment regions, such as Saudi Arabia, Oman, Qatar, and, possibly, the other emirates of the UAE. With this, we hope to continue to both provide a reasonably up-to-date panorama into the role of
Singapore in the Middle East, and build a basis for further research into the both this fascinating region, and the cryptic and enigmatic methodology which the city-state continues to employ in its internationalization efforts.

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