

Economic Society of Singapore

Panel Discussion Forum on Post Singapore Budget 2016



Economic Society of Singapore

presents

ESS Panel Discussion Forum on Post Singapore Budget 2016

The Singapore government will release their annual budget on March 24 which spells out its objectives and allocation of funds for the coming year. In this context, much is expected to address major issues such as restructuring of the Singapore economy via innovation and value creation, investing in skills and research for the future economy, internationalisation of Singapore enterprises and other initiatives to foster continued growth and employment for Singapore in a fast changing environment. It is with this reference scenario that the Economic Society of Singapore (ESS) is organising a post Singapore Budget 2016 panel discussion forum.

The panel speakers assembled here are distinguished in their knowledge of the Singapore economy and international economic affairs.

Chaired by:

Professor David Lee

Professor, Singapore Management University
Vice President, Economic Society of Singapore

Date: 29 March 2016

Time: 4.30 pm

Venue: Meeting Room 834

Level 8, Main Tower

Mandarin Orchard Singapore

333 Orchard Road, Singapore

**Tea Reception will begin at 4.00 pm.*

PANEL SPEAKERS



Mr. Luis Coronado
Partner, ASEAN International Tax Leader
Ernst and Young LLP



Mr. Jimmy Koh
Managing Director and Head,
Investors Relations and Research, UOB Group
Council Member, Economic Society of Singapore



Dr. Giovanni Ko
Assistant Professor, Division of Economics
Nanyang Technological University



Ms. Selena Ling
Head, Treasury Research & Strategy, OCBC Bank
Council Member, Economic Society of Singapore

*Admission is free. Seats are very limited.
Admission is only by confirmation of registration.
Please register online at esocsing@gmail.com on or before 22 March 2016*

A Budget for Transformation and Innovation!

Professor David Lee

Vice President

Economic Society of Singapore

Budget 2016 In Summary

- Three Key Trusts
 - Expansionary Fiscal Stance
 - >1% of GDP
 - Industry **Transformation** Programme
 - Drive Growth Through **Innovation**
 - Support People Through Change
 - Learn New Skills
 - Facilitate Employment
 - Job-Matching

Budget 2016

The word Transformation or Transform was mentioned **71 times in 2016** and only 13 times in 2015.

Innovation was mentioned **59 times** in 2016 and 33 in 2015.

Innovation and Transformation: What really are we talking about?

Let us be more specific about skillsfuture, deep skills, and digital disruption!

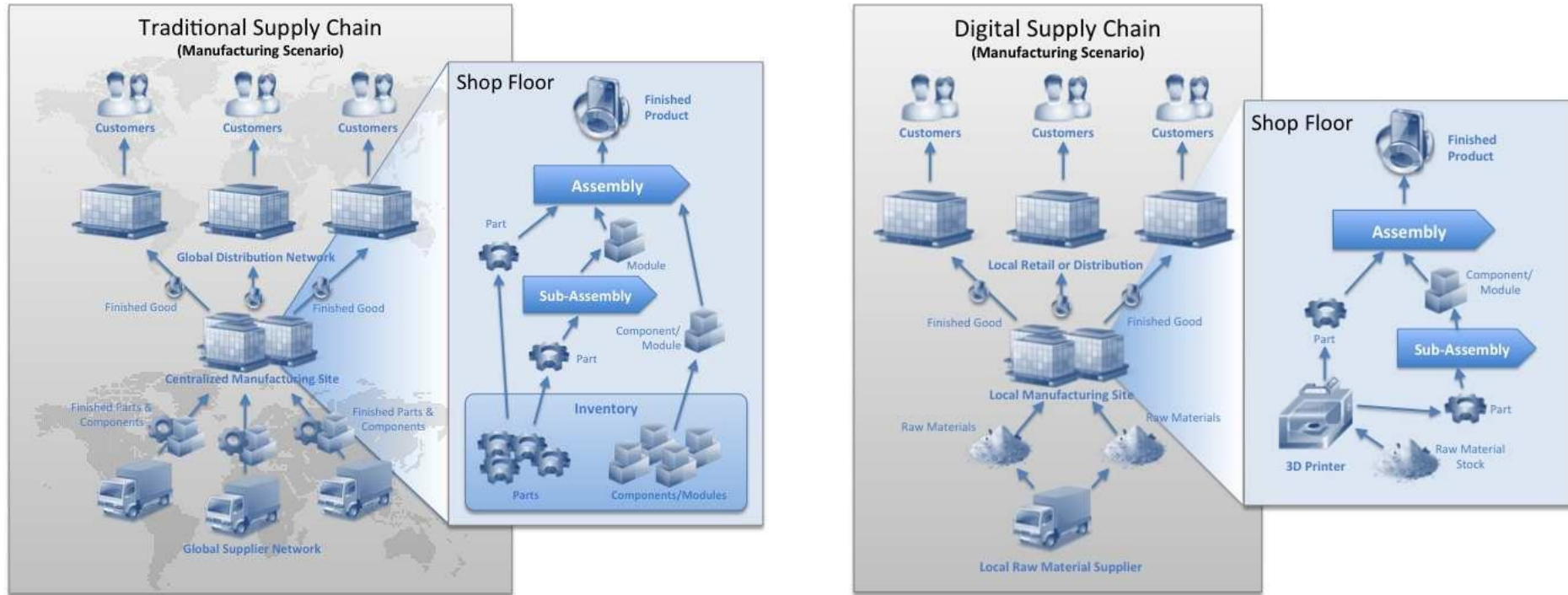
Economy of Scale

- **Production based**
- More units of a good or a service can be **produced on a larger scale** with yet with less input costs
- Internal EoS: company level
- External EoS: industry level with better infrastructure
- Ideas: Specialisation of Labour, lower average cost of production, **focus on productivity**
- **Traditional Mindset**: MNCs, Supporting Industry, EMS, Component Makers, Clustering
- Faster, Cheaper and Better
- Compete mainly on cost

Economy of Scope (or Variety)

- User or customer based
- **Increasing the number of different goods and services** produced or sold
- Ideas: Omni Channel Services. Efficiency and cost saving brought about **by variety, not volume.**
- Faster, Cheaper and Better are not enough.
- Diversify, accumulate saving, or **accumulate revenue from low margin** by supplying a variety of goods and services.
- Examples: 3-D printing, Ants Financial.
- Disruptive Mindset: **Compete on delivering measureable results important to customers** (may result in **low productivity/margin but high aggregated income**)
- John C. Panzar; Robert D. Willig (May 1981). "Economies of Scope". American Economic Review 71 (2): 268–272.

3D-Printing: Transforming the Supply Chain



Source: <http://insights-on-business.com/electronics/3d-printing-transforming-the-supply-chain-part-1/>

Ants Financial: Capitalising on its Hinternet Alibaba



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We need to build the Hinternet infrastructure! Businesses also need an onramp to get on the high way to reach Hinternet!



An Example:

Alipay online and e-wallet:

You can buy and sell anything with it!

They have a frictionless way to open accounts!

This was from last year's presentation!



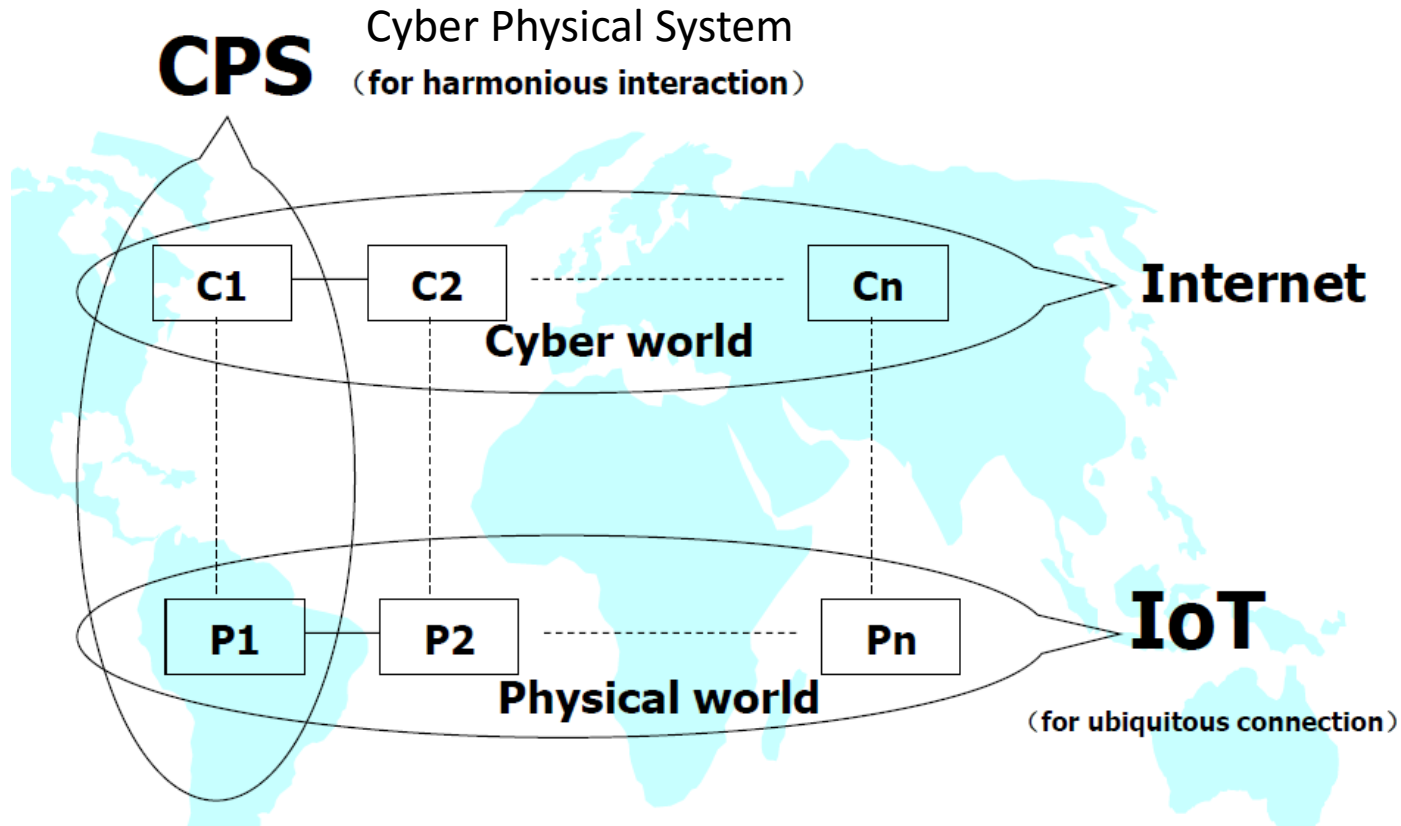
Outcome Economy

- An economy contingent on the marketing, pricing and selling of goods and services **based on the results or outcomes they produce for customers**, rather than on an item or service's face value.
- Focus: **user experience** (UX), outcome (not productivity) based
- Enabler: Sensors, cloud or **blockchain** based, artificial intelligence, ubiquitous bandwidth (connectivity inclusion – mobile, Internet, white space)
- Idea: Smart Data with Machine Learning is key!

Internet of Everything

- **Connecting** people in valuable ways
- **Delivering** information “right”
- **Leveraging** data for intelligent decision making
- **Linking** devices and objects for smart decision
- According to CISCO, the global IoE value at stake is USD14.4T

Internet of Everything



We Economy = Smart Nation

- Eco-system
- **Collaboration**
- **Open** Platform
- O2O (Online to Offline), LBS (Location Based Services), IOT, CPS, IOE
- **Data Technology**: AI, AR/VR, Machine Learning, Motion to Static Data, Cloud + Blockchain, Digital Currency
- Workforce Reimagined: **Human** (located anywhere) as **interface** between smart data and smart machines

It is possibly one of the most **futuristic budgets** that Singaporeans have ever encountered.

It is an intricate “innovation and transformation” budget, **albeit work-in-progress**, that can only be fully understood if viewed in the context of a smart **Outcome or We Economy!**

Some Famous Quotes

We have done nothing wrong!

Nah, it is not going to happen!

It will take a much longer time than you expect for disruption to happen!

But once it starts, it will take a much shorter time than you expect to completely disrupt!

Thank you!