

Video

A Tale of Two Cities

Date: September 02, 2020

00:00:05 --> 00:00:09: Welcome to our session entitled A Tale of Two Cities.

00:00:09 --> 00:00:13: What will economic recovery look like for Hong Kong and

00:00:13 --> 00:00:13: Singapore?

00:00:13 --> 00:00:17: Thank you very much. I'm very pleased and delighted to

00:00:17 --> 00:00:20: have the 2 panel members with us today.

00:00:20 --> 00:00:22: They were introduced. But once again.

00:00:22 --> 00:00:25: KP Ho Executive Chairman of Banyan Tree Holdings,

00:00:25 --> 00:00:30: based in Singapore. George hung Choi executive director and CEO

00:00:30 --> 00:00:34: of blink asset management limited real estate based in Hong

00:00:34 --> 00:00:34: Kong.

00:00:34 --> 00:00:37: Myself Susheela rivers. I'm a lawyer and a partner at

00:00:38 --> 00:00:38: DLA Piper,

00:00:38 --> 00:00:42: and I'm based in Hong Kong and hopefully very suitable

00:00:42 --> 00:00:44: to run this panel because.

00:00:44 --> 00:00:47: I have a little bit of Singapore and a little

00:00:47 --> 00:00:49: bit of Hong Kong in my blood.

00:00:49 --> 00:00:51: So what are we talking about today today?

00:00:51 --> 00:00:54: The topic is interesting on so many levels.

00:00:54 --> 00:00:59: 2 cities. Singapore, Hong Kong always being compared against once,

00:00:59 --> 00:01:04: another one another. They are challenged with similarities and discrepancies

00:01:04 --> 00:01:07: in relation to the size of the population in relation

00:01:07 --> 00:01:08: to GDP.

00:01:08 --> 00:01:11: Economic performance, exports top industries growth,

00:01:11 --> 00:01:13: number of IPOs, leadership styles,

00:01:13 --> 00:01:16: freedoms. Our potential in the region,

00:01:16 --> 00:01:18: so lots. Lots of comparisons.

00:01:18 --> 00:01:22: But today, let's look at and see how these cities

00:01:22 --> 00:01:23: have survived?

00:01:23 --> 00:01:27: How they've evolved over the years and focus on the

00:01:27 --> 00:01:29: development and growth potential.

00:01:29 --> 00:01:32: Past present and absolutely the future,

00:01:32 --> 00:01:36: and ultimately how these cities can be even more successful

00:01:36 --> 00:01:41: either together or separately from its current challenges covid
natural

00:01:41 --> 00:01:45: technological disruptions political challenges.

00:01:45 --> 00:01:49: And preferences of the future generation so straight straight
to

00:01:49 --> 00:01:49: the paddle.

00:01:49 --> 00:01:53: My first question to the panel sort of looking at

00:01:53 --> 00:01:53: the past,

00:01:53 --> 00:01:57: what have the cities of Singapore and Hong Kong done

00:01:57 --> 00:02:02: which have been successful for their physical and economic
growth?

00:02:02 --> 00:02:04: Whether it is infrastructure regeneration,

00:02:04 --> 00:02:09: government policy's recommendations, whatever it might be
in industries,

00:02:09 --> 00:02:12: please can you highlight perhaps a couple of standouts?

00:02:12 --> 00:02:15: Perhaps KP if you can go first and then and

00:02:15 --> 00:02:16: then George.

00:02:16 --> 00:02:20: Thank you, I think since Singapore and Hong Kong always

00:02:20 --> 00:02:24: to to be compared and supposedly competitive to each other,

00:02:24 --> 00:02:27: I thought perhaps I could just choose two very simple

00:02:27 --> 00:02:28: examples,

00:02:28 --> 00:02:31: one in which in fact both City states are having

00:02:31 --> 00:02:36: very similar in there in terms of their economic development

00:02:36 --> 00:02:39: and one way in fact had been very very far

00:02:39 --> 00:02:42: apart. The one policy which I think both places have

00:02:42 --> 00:02:46: actually benefited from very much is their roles as.

00:02:46 --> 00:02:49: Respectively as regional hubs.

00:02:49 --> 00:02:52: Or as transportation and communication hubs.

00:02:52 --> 00:02:54: Hongkongese air connection. Hong Kong airport.

00:02:54 --> 00:02:56: The airlines of the port,

00:02:56 --> 00:03:00: for example, and all the infrastructure physical infrastructure
that went

00:03:00 --> 00:03:01: along with that.

00:03:01 --> 00:03:03: It was completely compatible with Singapore.

00:03:03 --> 00:03:06: I don't think I need to go into that in

00:03:06 --> 00:03:06: more detail,

00:03:06 --> 00:03:09: but the other area which I think Singapore has differed

00:03:10 --> 00:03:10: very,

00:03:10 --> 00:03:11: very greatly from Hong Kong,
 00:03:11 --> 00:03:13: and particularly for your audience,
 00:03:13 --> 00:03:15: from from an Urban land Institute.
 00:03:15 --> 00:03:17: POV is Singapore's housing policy,
 00:03:17 --> 00:03:20: so I don't. I don't think there can be.
 00:03:20 --> 00:03:24: An example of two approaches to Urban Development which
 could
 00:03:24 --> 00:03:25: be further apart.
 00:03:25 --> 00:03:28: The highly planned nature of Singapore's Urban
 Development,
 00:03:28 --> 00:03:32: and particularly the public housing policies which Singapore
 has,
 00:03:32 --> 00:03:36: which has certainly served Singapore very well and which is
 00:03:36 --> 00:03:38: completely different from Hong Kong.
 00:03:38 --> 00:03:41: So those would be 2 examples where I think you've
 00:03:41 --> 00:03:43: got there similar.
 00:03:43 --> 00:03:46: The in terms of regional hub development and where they
 00:03:46 --> 00:03:50: are very very very far apart in terms of housing
 00:03:50 --> 00:03:50: policy.
 00:03:50 --> 00:03:51: Then of course there many others too,
 00:03:51 --> 00:03:53: but I'll just choose to.
 00:03:53 --> 00:03:55: This was the other similarity,
 00:03:55 --> 00:03:58: actually. KP as I look in front of the harbor
 00:03:58 --> 00:04:01: in front of me is is there both port cities
 00:04:01 --> 00:04:02: of course,
 00:04:02 --> 00:04:05: and that's that's a big one for the airport.
 00:04:05 --> 00:04:07: About one.
 00:04:07 --> 00:04:11: Both have been very important as hub cities.
 00:04:11 --> 00:04:14: OK, well let's see whether that will be for the
 00:04:14 --> 00:04:14: future.
 00:04:14 --> 00:04:18: But before we get that George over to you.
 00:04:18 --> 00:04:21: Well, it's government policy wise.
 00:04:21 --> 00:04:24: I think in 2003. Obviously we have super.
 00:04:24 --> 00:04:27: We have the individual visit scheme.
 00:04:27 --> 00:04:34: Uh, the individual visit scheme has been very successful in
 00:04:34 --> 00:04:38: its impact to tourism to retail.
 00:04:38 --> 00:04:44: We have 30,000 people visiting a day before 2003,
 00:04:44 --> 00:04:49: going all the way up to 2200 and 20,000 a
 00:04:49 --> 00:04:50: day in 2018.
 00:04:50 --> 00:04:57: Obviously, after the protest is dropped to 100,000 and now.
 00:04:57 --> 00:05:02: We have only a few 1000 people every day because
 00:05:02 --> 00:05:04: of the travel restrictions,
 00:05:04 --> 00:05:08: but you can see a curve that is not seen

00:05:08 --> 00:05:11: in a lot of places where it just short up

00:05:12 --> 00:05:13: impacting on.

00:05:13 --> 00:05:18: You know how demand is being met by shops and.

00:05:18 --> 00:05:22: Real estate prices. Um?

00:05:22 --> 00:05:26: KP talk a little bit about the being the hub.

00:05:26 --> 00:05:31: Obviously the connection with the hinterland for Hong Kong is

00:05:31 --> 00:05:37: slightly different from how Singapore Connect with other countries around

00:05:37 --> 00:05:43: itself and the connection in Hinterland with Sunshine and Greater

00:05:43 --> 00:05:45: Bay Area have in fact,

00:05:45 --> 00:05:49: especially with infrastructure have been tremendous.

00:05:49 --> 00:05:53: You know, if you look at the obviously we still

00:05:53 --> 00:05:55: have only one airport.

00:05:55 --> 00:05:58: But we know instead of 1 train connection,

00:05:58 --> 00:06:02: there are three points of connecting with China,

00:06:02 --> 00:06:04: including the high speed rail.

00:06:04 --> 00:06:08: We have two bridges, both Engine Bay and also the

00:06:08 --> 00:06:12: Jewel High Macau Bridge Ferry terminal from two to three

00:06:12 --> 00:06:14: and then crossing from four to six.

00:06:14 --> 00:06:18: So you know we have increased from 8 cross eight

00:06:18 --> 00:06:22: connection to 15 connection with the Greater Bay Area and

00:06:22 --> 00:06:26: the rest of China within just the last 1015 years.

00:06:26 --> 00:06:29: A man that has a lot of impact in terms

00:06:29 --> 00:06:32: of people and product flow.

00:06:36 --> 00:06:41: So when Katie, when you mentioned the successful housing policies

00:06:41 --> 00:06:46: for Singapore and I'm familiar with it and actually it's

00:06:46 --> 00:06:50: it's known to be very successful policy.

00:06:50 --> 00:06:54: George, do you feel that Hong Kong's struggles to get

00:06:54 --> 00:06:56: that housing policy right?

00:06:56 --> 00:06:59: And why do you think that is the case to

00:07:00 --> 00:07:01: similar size?

00:07:01 --> 00:07:04: In fact, Hong Kong more populous.

00:07:04 --> 00:07:07: Then why is it so hard to get housing policy

00:07:07 --> 00:07:08: fighting?

00:07:08 --> 00:07:16: Well, the government's idea that laissez Faire free market driven

00:07:16 --> 00:07:21: as the key to create supply rather than,

00:07:21 --> 00:07:27: you know, a predominant in supply by the government is

00:07:27 --> 00:07:29: a key difference.

00:07:32 --> 00:07:34: Is the price is not right?

00:07:34 --> 00:07:38: The developers are not as keen in driving it and
00:07:38 --> 00:07:40: also this with limited supply.
00:07:40 --> 00:07:45: Also the developer will probably make more money with their
00:07:45 --> 00:07:50: their their holding so the government have not have a
00:07:50 --> 00:07:53: stronger hand into the real estate.
00:07:53 --> 00:07:56: Especially residential.
00:07:56 --> 00:07:59: Other point is that in Hong Kong,
00:07:59 --> 00:08:02: while we see the need of more supply,
00:08:02 --> 00:08:07: regardless of whether it's commercial or is it residential,
00:08:07 --> 00:08:11: the supply of land has been very restrictive.
00:08:11 --> 00:08:15: 2 Third of Hong Kong's land is still under law.
00:08:15 --> 00:08:19: Need to be country parks so nice during covert that
00:08:19 --> 00:08:22: you go and have for the hiking trails.
00:08:22 --> 00:08:24: But do we need that much?
00:08:24 --> 00:08:27: Are those questions that the.
00:08:27 --> 00:08:30: Population have posed to the government from time to time.
00:08:30 --> 00:08:32: Yeah, maybe a bit provocative here.
00:08:32 --> 00:08:35: With the Singapore perspective intentionally provocative.
00:08:35 --> 00:08:37: But as a great friend.
00:08:37 --> 00:08:40: I would say in this particular case,
00:08:40 --> 00:08:45: laissez Faire capitalism might actually be more honestly
defined as
00:08:45 --> 00:08:46: oligopolies.
00:08:46 --> 00:08:51: In the property market, and I would say also purely
00:08:51 --> 00:08:53: from a Singapore perspective.
00:08:53 --> 00:08:57: That much of the problems that are now affecting Hong
00:08:58 --> 00:08:59: Kong today from a.
00:08:59 --> 00:09:04: Social political perspective are actually rooted in the housing
policies,
00:09:04 --> 00:09:08: so I think the housing issue is not just an
00:09:08 --> 00:09:10: issue of urban and development,
00:09:10 --> 00:09:14: it is fundamental to Singapore's relative stability animal you.
00:09:14 --> 00:09:19: It's also fundamental to the problems that young people are
00:09:19 --> 00:09:21: having today in Hong Kong,
00:09:21 --> 00:09:25: which is now manifest in very unfortunate and even tragic
00:09:25 --> 00:09:27: political consequences.
00:09:27 --> 00:09:30: So I don't think a housing policy's simply a matter
00:09:30 --> 00:09:32: of laissez Faire capitalism.
00:09:32 --> 00:09:35: I think it is so fundamental to the social,
00:09:35 --> 00:09:37: political stability of a SoC.
00:09:37 --> 00:09:40: That, and I think that's where we are seeing the
00:09:40 --> 00:09:42: chickens coming home to roost,

00:09:42 --> 00:09:46: yeah? I suppose the question the following question which which

00:09:46 --> 00:09:50: we can we can take in the next question is

00:09:50 --> 00:09:54: will there be action whether it is policy or otherwise

00:09:54 --> 00:09:57: to deal with? Satisfying that demand,

00:09:57 --> 00:10:01: which has led to the situation we are familiar with.

00:10:01 --> 00:10:04: But let me let me ask you to think about

00:10:04 --> 00:10:06: that in the next question.

00:10:06 --> 00:10:08: As we look to the future.

00:10:08 --> 00:10:11: So we're looking back to what we got right and

00:10:11 --> 00:10:15: you highlighted some some positives 'cause I want to ask

00:10:15 --> 00:10:19: other things that were right for the past still apply

00:10:19 --> 00:10:22: to the future and also how it applied you.

00:10:22 --> 00:10:25: Things have to be considered so to George I will

00:10:25 --> 00:10:26: ask.

00:10:26 --> 00:10:31: OK. Hong Kong is known as the dragon that continues

00:10:31 --> 00:10:38: to reinvent itself by continually shaped shedding its scales.

00:10:38 --> 00:10:41: So what does Hong Kong need to do as it

00:10:41 --> 00:10:42: reinvents itself?

00:10:42 --> 00:10:46: With the current challenges you can call it covid.

00:10:46 --> 00:10:47: You can call it technology.

00:10:47 --> 00:10:49: You can call it the political.

00:10:49 --> 00:10:54: The overall political situation, the changing views of the young

00:10:54 --> 00:10:57: generation and demands of the younger generation,

00:10:57 --> 00:10:59: the polarization, the global polarization.

00:10:59 --> 00:11:01: We're seeing all those things.

00:11:01 --> 00:11:05: What does Hong Kong need to do to remain relevant

00:11:05 --> 00:11:07: and also economically robust?

00:11:07 --> 00:11:11: I'm going forward not just with China or GBA,

00:11:11 --> 00:11:15: but also in the region and globally.

00:11:15 --> 00:11:18: How to describe it more accurately?

00:11:18 --> 00:11:21: China is dragon. Hong Kong.

00:11:21 --> 00:11:24: May you know for some some function must say is

00:11:25 --> 00:11:26: the dragon head.

00:11:26 --> 00:11:30: So I think if you use that description then very

00:11:31 --> 00:11:36: important Lee Hong Kong needs to be well connected with

00:11:36 --> 00:11:37: the body.

00:11:37 --> 00:11:41: Anne, how Hong Kong perform its role as the eyes

00:11:41 --> 00:11:45: and ears to to the rest of the world forever

00:11:45 --> 00:11:45: for China?

00:11:45 --> 00:11:48: How it used to be much bigger.

00:11:48 --> 00:11:50: Part of the GDP of China.

00:11:50 --> 00:11:56: So I guess that's the mouse that's feeding the country
00:11:56 --> 00:11:58: and now it's less so.
00:11:58 --> 00:12:03: If only you know being an international financial center in
00:12:03 --> 00:12:04: some ways,
00:12:04 --> 00:12:08: you know that's the fluid that that runs through the
00:12:08 --> 00:12:10: body with the money system.
00:12:10 --> 00:12:16: So in some ways, Hong Kong have never really move
00:12:16 --> 00:12:18: away from being the.
00:12:18 --> 00:12:23: Connection of China with the rest of the world.
00:12:23 --> 00:12:28: Particular function that it performed changes overtime,
00:12:28 --> 00:12:32: and I think manufacturing overseas less so now compared to
00:12:33 --> 00:12:36: how Hong Kong rise up the Sohu decades ago.
00:12:36 --> 00:12:40: Now is the of the Financial Center Logistics Center and
00:12:41 --> 00:12:41: you know IT,
00:12:41 --> 00:12:45: ET cetera, that connects with Sun Genova see.
00:12:45 --> 00:12:49: So some of these functions will continue to change.
00:12:49 --> 00:12:52: I think one thing you know,
00:12:52 --> 00:12:54: we talk about young people.
00:12:54 --> 00:12:56: And I I'm I'm an optimist.
00:12:56 --> 00:13:00: But I know that if you put it.
00:13:00 --> 00:13:03: In context.
00:13:03 --> 00:13:07: The people who have made Hong Kong successful in the
00:13:07 --> 00:13:08: last two or three decades.
00:13:08 --> 00:13:13: Well, probably people who came out to the streets during
00:13:13 --> 00:13:15: June 4th and protests.
00:13:15 --> 00:13:17: The same as the same procedure,
00:13:17 --> 00:13:21: same group of University students who were in China
University
00:13:21 --> 00:13:24: at that time and you look at the US.
00:13:24 --> 00:13:26: It's the same. You know there there.
00:13:26 --> 00:13:28: There the hippie generations become,
00:13:28 --> 00:13:32: you know the the entrepreneurs so you know the reason
00:13:32 --> 00:13:35: why we should have faith in Hong Kong is the
00:13:35 --> 00:13:38: only reason the young people came out.
00:13:38 --> 00:13:40: Is yes there is a housing issue,
00:13:40 --> 00:13:43: but it's be cause they have a passion for Hong
00:13:43 --> 00:13:44: Kong now.
00:13:44 --> 00:13:49: They see obviously a different way Hong Kong should
develop.
00:13:49 --> 00:13:53: But you know that we every generation have that,
00:13:53 --> 00:13:58: but it's be cause they care about Hong Kong.
00:13:58 --> 00:14:02: So I think if we can track your channel that

00:14:02 --> 00:14:08: enthusiasm and passion to other ways of helping Hong Kong
 00:14:08 --> 00:14:12: to succeed that there's tremendous future.
 00:14:12 --> 00:14:18: And so I've never doubt young people once they step
 00:14:18 --> 00:14:19: out to the SoC.
 00:14:19 --> 00:14:22: And find Airways.
 00:14:22 --> 00:14:25: Who will drive the future?
 00:14:25 --> 00:14:27: I mean, that's music to my ears,
 00:14:27 --> 00:14:29: and as you before you said passion,
 00:14:29 --> 00:14:31: I wrote it down. You know.
 00:14:31 --> 00:14:34: Ultimately, my takeaway is you've got to have passion to
 00:14:34 --> 00:14:37: want to do and make the place a better place.
 00:14:37 --> 00:14:40: And you are right, the passion is there,
 00:14:40 --> 00:14:42: it is when we lose passion that we are in
 00:14:42 --> 00:14:45: trouble and and the hope for Hong Kong in this
 00:14:45 --> 00:14:47: the opportunities are vast.
 00:14:47 --> 00:14:50: So I will then ask using kind of a same
 00:14:50 --> 00:14:50: theme.
 00:14:50 --> 00:14:53: If Hong Kong is the dragon head.
 00:14:53 --> 00:14:57: Then simple, it's arguably a little bit more involved in
 00:14:57 --> 00:14:58: housing,
 00:14:58 --> 00:15:02: in particular in relation to the housing development and its
 00:15:02 --> 00:15:06: physical development in the weights on the waterfront,
 00:15:06 --> 00:15:09: and things like this. But if I kill it to
 00:15:09 --> 00:15:12: a steadfast lion Lion City after all.
 00:15:12 --> 00:15:16: A lion can be quite stuck in his ways,
 00:15:16 --> 00:15:19: maybe or not? What does it need to do to
 00:15:20 --> 00:15:21: stay in the hunt?
 00:15:21 --> 00:15:25: And to make Singapore future proof?
 00:15:25 --> 00:15:27: Well, I'm not sure I can continue your metaphor,
 00:15:27 --> 00:15:30: differentiating between the dragon and a Tiger,
 00:15:30 --> 00:15:32: and you have the dragon,
 00:15:32 --> 00:15:34: so I'm very much more prone.
 00:15:34 --> 00:15:37: Biased towards Dragons, but since the the title for this
 00:15:37 --> 00:15:40: talk is about a tale of two cities,
 00:15:40 --> 00:15:44: maybe I can draw a incomparable user comparative analysis
 00:15:44 --> 00:15:48: perspective
 00:15:44 --> 00:15:48: using the original idea of Hong Kong and Singapore's
 00:15:48 --> 00:15:48: regional
 00:15:48 --> 00:15:48: hubs,
 00:15:48 --> 00:15:51: and how their role as regional hubs,
 00:15:51 --> 00:15:55: in my view, will would were actually further differentiate from
 00:15:55 --> 00:15:59: each other previously from colonial times to even modern
 00:15:55 --> 00:15:59: times.

00:15:59 --> 00:16:04: Both Hong Kong and Singapore were largely Metropolitan hubs for

00:16:04 --> 00:16:05: the world as a whole.

00:16:05 --> 00:16:09: Singapore a little bit more for South Asia and and

00:16:09 --> 00:16:11: Hong Kong more for North Asia,

00:16:11 --> 00:16:15: but both very Metropolitan. I think as time has gone

00:16:15 --> 00:16:18: on and you can see with Hong Kong,

00:16:18 --> 00:16:22: Hong Kong is going to be increasingly more relevant for

00:16:22 --> 00:16:26: Greater China for the Greater Bay Area etc.

00:16:26 --> 00:16:29: And perhaps be a little bit less global in its

00:16:29 --> 00:16:30: perspective.

00:16:30 --> 00:16:34: But highly tide in with the growth of a very

00:16:34 --> 00:16:35: dynamic China.

00:16:35 --> 00:16:37: On the other hand, for Singapore,

00:16:37 --> 00:16:42: we've found that Singapore's attempts to integrate with the region

00:16:42 --> 00:16:44: Indonesia and with Malaysia and so on,

00:16:44 --> 00:16:48: which was attempted in the 1990s has not really gone

00:16:48 --> 00:16:49: on all that well.

00:16:49 --> 00:16:52: RCN is not growing as fast as North Asia is

00:16:52 --> 00:16:52: growing,

00:16:52 --> 00:16:56: and so Singapore's role as a regional hub has evolved

00:16:56 --> 00:16:59: in a different direction from Hong Kong,

00:16:59 --> 00:17:02: which is going to be more aligned towards one particular

00:17:03 --> 00:17:03: nation state,

00:17:03 --> 00:17:07: and that's China. Singapore is going to evolve more and

00:17:07 --> 00:17:10: more as a global hub and we have no choice

00:17:10 --> 00:17:14: but to do so because the Growth Dynamics in Southeast

00:17:14 --> 00:17:17: Asia are not as fast in as in Northeast Asia.

00:17:17 --> 00:17:20: So you'll find that, for example,

00:17:20 --> 00:17:23: let's take the area of aviation Singapore as an airport

00:17:23 --> 00:17:27: will probably be eclipsed by other airports such as Dubai

00:17:27 --> 00:17:28: and so on.

00:17:28 --> 00:17:32: And Singapore Airlines may be clipped by other headlines,

00:17:32 --> 00:17:36: but but Singapore, as a global aviation hub with repair

00:17:36 --> 00:17:38: services with manufacturing of.

00:17:38 --> 00:17:43: Mystic Yated avionics with leasing of aircraft and so on.

00:17:43 --> 00:17:47: Singapore is a global hub for the aviation industry,

00:17:47 --> 00:17:51: not deal only to its strategic location,

00:17:51 --> 00:17:54: but due to a confluence of physical as well as

00:17:54 --> 00:17:58: soft infrastructure which is very important.

00:17:58 --> 00:18:01: Soft infrastructure meaning IP rights,

00:18:01 --> 00:18:06: financial systems, the rule of law and then the sophistication
00:18:07 --> 00:18:08: of commercial law.
00:18:08 --> 00:18:11: Their skilled. Levels of of manpower and so on.
00:18:11 --> 00:18:15: Those are all getting to be more important now for
00:18:15 --> 00:18:15: Singapore.
00:18:15 --> 00:18:17: If you take another area,
00:18:17 --> 00:18:19: Singapore is a financial center,
00:18:19 --> 00:18:22: is not going to be a global financial Center for
00:18:22 --> 00:18:23: everything.
00:18:23 --> 00:18:27: Singapore as a public markets capital markets is much
00:18:27 --> 00:18:30: smaller
00:18:30 --> 00:18:33: than Hong Kong now because Hong Kong will have all
00:18:33 --> 00:18:35: of China to draw upon for Mnas and IPOs.
00:18:35 --> 00:18:38: But as a private banking centre,
00:18:38 --> 00:18:42: Singapore is going to be increasingly attractive.
00:18:42 --> 00:18:46: So I think you actually see very interesting Lee overtime.
00:18:46 --> 00:18:48: How to regional hubs are moving in different directions,
00:18:48 --> 00:18:53: not one better than the other,
00:18:53 --> 00:18:54: but different because the imperatives are changing as the
00:18:54 --> 00:18:57: world
00:18:57 --> 00:19:00: itself changes.
00:19:00 --> 00:19:02: Alright, well I I'm you know I saw some questions
00:19:02 --> 00:19:06: come in which speak to what you're saying.
00:19:06 --> 00:19:08: So I want to keep that flow going so one
00:19:08 --> 00:19:09: of the questions that you mentioned the term soft
00:19:09 --> 00:19:12: infrastructure
00:19:12 --> 00:19:15: and financial center.
00:19:15 --> 00:19:18: I get it, you know,
00:19:18 --> 00:19:21: and the hub the hub that Singapore wants to create
00:19:21 --> 00:19:25: question it is a small island in the tip of
00:19:25 --> 00:19:29: the way that Hong Kong has the spillover opportunities within
00:19:29 --> 00:19:33: GBA and we talked about housing and one of the
00:19:33 --> 00:19:34: commentary that's come through is could GBA be the
00:19:34 --> 00:19:37: alternative?
00:19:37 --> 00:19:39: Housing, you know, sort of solution for Hong Kong as
00:19:39 --> 00:19:43: it becomes the area so George can answer that in
00:19:43 --> 00:19:47: a minute but for KP.
00:19:47 --> 00:19:47: The question is Singapore has got great housing,
00:19:47 --> 00:19:51: but how will it overcome?
00:19:51 --> 00:19:51: Still that geographical challenge on account of the fact that
00:19:51 --> 00:19:51: there are that apart from the airport which we talked
00:19:51 --> 00:19:51: about.
00:19:51 --> 00:19:51: There aren't that many sort of transportation corridors,

00:19:51 --> 00:19:54: so you know, yes, the software structure,
00:19:54 --> 00:19:58: right yet? But how do you deal with physical proximity
00:19:58 --> 00:19:58: issue?
00:19:58 --> 00:20:01: I think the point is get let me just give
00:20:01 --> 00:20:05: you two other examples where the actual physical location of
00:20:05 --> 00:20:06: Singapore.
00:20:06 --> 00:20:09: Isn't going to be that important anymore to it being
00:20:09 --> 00:20:10: a global hub,
00:20:10 --> 00:20:13: one is the fact that Singapore is trying to be
00:20:13 --> 00:20:17: a bed for global startups by having a complete ecosystem
00:20:17 --> 00:20:20: of both hard and soft infrastructure.
00:20:20 --> 00:20:23: Now the hard infrastructure is pretty obvious.
00:20:23 --> 00:20:27: We're trying to attract startups here because it is easier.
00:20:27 --> 00:20:30: It's relatively easy to live here.
00:20:30 --> 00:20:32: Cost of living isn't so high.
00:20:32 --> 00:20:36: A global connectivity, whether it be with 5G communications
or
00:20:36 --> 00:20:39: with the airport is pretty good.
00:20:39 --> 00:20:42: But you don't need to be located in Singapore if
00:20:42 --> 00:20:45: you're a startup from Israel or started from India or
00:20:45 --> 00:20:47: started from anywhere else,
00:20:47 --> 00:20:50: why are we able to put potentially do so is
00:20:50 --> 00:20:54: because we also have the software infrastructure whereby
we are
00:20:54 --> 00:20:57: creating a lot of incentives for venture capital firms P
00:20:57 --> 00:20:59: funds to actually locate here.
00:20:59 --> 00:21:04: There's actually also quite sophisticated legislation that
needs to be
00:21:04 --> 00:21:07: in place for protection of IPS for many other aspects.
00:21:07 --> 00:21:09: That creates an entire ecosystem.
00:21:09 --> 00:21:11: For startups to come here,
00:21:11 --> 00:21:13: including Singapore being a testbed,
00:21:13 --> 00:21:17: the fact that a lot of new technologies where there
00:21:17 --> 00:21:20: be driverless cars or drivers drones and so on need
00:21:20 --> 00:21:20: testbeds.
00:21:20 --> 00:21:24: Yeah, other countries have got a lot of problems because
00:21:24 --> 00:21:26: they've got municipal laws,
00:21:26 --> 00:21:27: and they've got state laws.
00:21:27 --> 00:21:30: International laws. Singapore is a city state,
00:21:30 --> 00:21:33: so Singapore has in fact granted a lot of trials
00:21:33 --> 00:21:36: within our states as a smart city,
00:21:36 --> 00:21:39: which can? Which startup can actually do here and then
00:21:39 --> 00:21:41: implement elsewhere.

00:21:41 --> 00:21:44: Another example is healthcare arising from covid and for other

00:21:45 --> 00:21:47: reasons we've also found out that a lot of life

00:21:48 --> 00:21:52: Sciences and other pharmaceutical companies find that with DNA there

00:21:52 --> 00:21:55: are lot of genetic basis for medicines and the study

00:21:55 --> 00:21:56: of life Sciences.

00:21:56 --> 00:22:00: Singapore's only got a population of 5 million people,

00:22:00 --> 00:22:03: you're hardly going to locate a pharmaceutical factory or a

00:22:03 --> 00:22:08: sophisticated R&D product development Life Sciences lab in Singapore because

00:22:08 --> 00:22:09: of the local market.

00:22:09 --> 00:22:12: But cause they are still advantages.

00:22:12 --> 00:22:14: To being located in Singapore,

00:22:14 --> 00:22:17: these are the kinds of things that I refer to

00:22:17 --> 00:22:18: in Singapore.

00:22:18 --> 00:22:19: Wants to be a hard look.

00:22:19 --> 00:22:22: Located in Asia, but not simply because of the old

00:22:23 --> 00:22:25: idea that we are strategic in between.

00:22:25 --> 00:22:28: You know, the Malacca speaks and so on and so

00:22:28 --> 00:22:29: forth.

00:22:29 --> 00:22:31: Yeah, technology changes things for sure.

00:22:31 --> 00:22:34: I mean, George, that's the whole GBA concept,

00:22:34 --> 00:22:39: and maybe you know, fighting for the case of Hong

00:22:39 --> 00:22:39: Kong.

00:22:39 --> 00:22:44: Anne, it's wonderful location and the the corridors that it's

00:22:44 --> 00:22:44: it.

00:22:44 --> 00:22:49: I mean a little bit about Hong Kong in response.

00:22:49 --> 00:22:52: Why mention the infrastructure connection?

00:22:52 --> 00:22:56: That's the hardware. I think this software is that you

00:22:56 --> 00:23:00: know a lot of businesses have the connections we have

00:23:00 --> 00:23:05: with Greater Bay Jeep and go from manufacturing where the

00:23:05 --> 00:23:09: factories have moved there long ago to support your back

00:23:09 --> 00:23:10: office mid office.

00:23:10 --> 00:23:15: Moving to to that and now obviously technology and and

00:23:15 --> 00:23:18: all those businesses from from sunshine.

00:23:18 --> 00:23:23: So if you know. To do the one hour circle.

00:23:23 --> 00:23:25: It can be a lot more integrated.

00:23:25 --> 00:23:29: One part of the software that I think about people

00:23:29 --> 00:23:32: that that I think we need to do a bit

00:23:32 --> 00:23:36: more work is that while we are connected in those

00:23:36 --> 00:23:40: ways that I have described a lot of young people,

00:23:40 --> 00:23:43: a lot of people in Hong Kong don't see crossing
 00:23:43 --> 00:23:46: the border as as permeable as you know,
 00:23:46 --> 00:23:50: I think most business people want to see so similar
 00:23:50 --> 00:23:51: to Singapore.
 00:23:51 --> 00:23:54: You know, one side is the ocean.
 00:23:54 --> 00:23:57: The other side while we were connected.
 00:23:57 --> 00:24:00: So we actually don't see it that way,
 00:24:00 --> 00:24:02: and so you know we can't use it like you
 00:24:02 --> 00:24:05: know what description that I have many times.
 00:24:05 --> 00:24:09: If you're not happy with paying the price in Manhattan,
 00:24:09 --> 00:24:11: you can move to Jersey,
 00:24:11 --> 00:24:13: New Jersey or outside London.
 00:24:13 --> 00:24:17: But you know, people don't typically think of moving to
 00:24:17 --> 00:24:18: live in Sinjen,
 00:24:18 --> 00:24:21: although that prices and generals who have climbed up a
 00:24:21 --> 00:24:24: lot over the last couple of years as well.
 00:24:24 --> 00:24:27: And so one of the things that we need to
 00:24:27 --> 00:24:29: do is really to get more people.
 00:24:29 --> 00:24:35: Comfortable in, you know crossing I just either way an
 00:24:35 --> 00:24:39: you know with the investment that we do in in
 00:24:39 --> 00:24:41: Greater Bay.
 00:24:41 --> 00:24:43: A lot of the times I get the team to
 00:24:43 --> 00:24:48: actually stand from the other side and look towards Hong
 00:24:48 --> 00:24:51: Kong rather than for us to do to sit in
 00:24:51 --> 00:24:54: Hong Kong and look up North and so it is
 00:24:54 --> 00:24:57: something that I think it's going to take time and
 00:24:57 --> 00:25:01: the integration issue is a big one in Hong Kong
 00:25:01 --> 00:25:05: that that we have not really managed very well so
 00:25:05 --> 00:25:05: far.
 00:25:05 --> 00:25:08: That will challenge us, but you know,
 00:25:08 --> 00:25:12: if you look at just the sometimes it's cinematic.
 00:25:12 --> 00:25:15: You know, in the past we call this Pearl River
 00:25:16 --> 00:25:16: Delta.
 00:25:16 --> 00:25:19: Each of the cities are competing to lead.
 00:25:19 --> 00:25:23: GPA is something that's with the lead from from Beijing
 00:25:23 --> 00:25:27: trying to resolve some of the rivalry among the cities
 00:25:27 --> 00:25:32: within this area and hopefully having each city playing slightly
 00:25:32 --> 00:25:36: different role and complementary to each other so that the
 00:25:36 --> 00:25:40: whole world will make a lot more sense than competing.
 00:25:40 --> 00:25:43: As in in the past maybe a decade ago when
 00:25:43 --> 00:25:44: when?
 00:25:44 --> 00:25:48: Yep, this whole effort was tried before and it didn't

00:25:48 --> 00:25:49: work as well.

00:25:49 --> 00:25:53: Yeah, no thank you. So we we have.

00:25:53 --> 00:25:56: Got 5 minutes left and I've got some questions here,

00:25:56 --> 00:26:00: but I do want to cover something that's perhaps closer

00:26:00 --> 00:26:03: to your heart so we've got 2 industries or two

00:26:03 --> 00:26:06: asset classes that are covered by our panel speakers,

00:26:06 --> 00:26:10: which is hospitality and leisure and retail so it's familiar

00:26:10 --> 00:26:11: to both of you.

00:26:11 --> 00:26:14: Those two sectors, arguably, you know,

00:26:14 --> 00:26:17: experiencing some challenges. And as you talk about,

00:26:17 --> 00:26:19: you know lots of things,

00:26:19 --> 00:26:21: whether it is a technology,

00:26:21 --> 00:26:23: future demands, shared working, shared,

00:26:23 --> 00:26:28: living or otherwise. Are ESG issues.

00:26:28 --> 00:26:32: Environmental issues that are changing the way we look at

00:26:32 --> 00:26:34: things so I can ask both of you in the

00:26:34 --> 00:26:36: industries and the sectors urine.

00:26:36 --> 00:26:40: How would you say you would overcome current challenges

00:26:40 --> 00:26:42: and

00:26:42 --> 00:26:44: what does know sort of be invention?

00:26:44 --> 00:26:48: If that's the right word?

00:26:48 --> 00:26:49: Looks like to you in the particular asset class that

00:26:49 --> 00:26:51: you're in.

00:26:51 --> 00:26:53: Maybe KP fast.

00:26:53 --> 00:26:54: Well, if you want it,

00:26:54 --> 00:26:58: if you only got 5 minutes left,

00:26:58 --> 00:26:59: I would only know you've got over on a little

00:26:59 --> 00:27:02: bit.

00:27:02 --> 00:27:02: The story is to survive long enough for the recovery

00:27:02 --> 00:27:06: to happen,

00:27:06 --> 00:27:09: right? I mean, as a longtime observer of of disruptions,

00:27:09 --> 00:27:13: I don't think that many things change fundamentally.

00:27:13 --> 00:27:16: 911 everybody thought the aviation industry was gonna be

00:27:16 --> 00:27:19: dead.

00:27:19 --> 00:27:20: The only impact the long lasting impact of 911 is

00:27:20 --> 00:27:23: the fact that we have to put our toiletries in

00:27:23 --> 00:27:26: little plastic bag.

00:27:26 --> 00:27:30: We get on it after the Great global financial crisis.

00:27:30 --> 00:27:31: We thought banks will be reshaped altogether now that we

00:27:31 --> 00:27:33: we find bank seals getting the same bonuses before the

00:27:33 --> 00:27:37: banks are just as big.

00:27:37 --> 00:27:39: And this rapacious, as ever.

00:27:39 --> 00:27:41: So don't think hospitality is going to change fundamentally.

00:27:37 --> 00:27:41: What I do believe is that all disruptions accelerate already
00:27:41 --> 00:27:45: existing trends and every industry or already had a
00:27:45 --> 00:27:46: digitalization
00:27:46 --> 00:27:48: strategy.
00:27:48 --> 00:27:52: I think that's going to accelerate.
00:27:52 --> 00:27:55: Digitalization is going to suffer every single industry,
00:27:55 --> 00:27:59: being far more resilient in the in the face of
00:27:59 --> 00:28:02: ever increasing disruption is something else that is going to
00:28:02 --> 00:28:05: be embedded in every company's DNA from here on.
00:28:05 --> 00:28:09: And other kinds of things that already happening.
00:28:09 --> 00:28:12: Consolidation within the industry, for example,
00:28:12 --> 00:28:13: and so on. But I don't think there's going to
00:28:13 --> 00:28:16: be any fundamental change,
00:28:16 --> 00:28:19: and I think we see that already that in places
00:28:19 --> 00:28:21: where areas that have been not so lockdown,
00:28:21 --> 00:28:24: there's been a rush. But yeah,
00:28:24 --> 00:28:25: I want to go back to leisure to enjoy Holidays
00:28:25 --> 00:28:29: and so on.
00:28:29 --> 00:28:30: So essentially, I think things will still same will stay
00:28:30 --> 00:28:32: relatively the same,
00:28:32 --> 00:28:34: except there will be survivors.
00:28:34 --> 00:28:38: And those that did not survive.
00:28:38 --> 00:28:40: Yeah, it is a question of timing after ultimately we
00:28:40 --> 00:28:42: are social beings for sure.
00:28:42 --> 00:28:45: So I used this one word.
00:28:45 --> 00:28:46: Trust you in. Do I trust that the place is
00:28:46 --> 00:28:49: safe and clean?
00:28:49 --> 00:28:51: Do I trust that I have a good experience so
00:28:51 --> 00:28:54: I trust where the product comes from?
00:28:54 --> 00:28:57: Its you know of the right Providence,
00:28:57 --> 00:28:59: they'll do it. And so we're doing a lot of
00:28:59 --> 00:29:02: things to get people back.
00:29:02 --> 00:29:05: Or whether it's in the office or shopping center.
00:29:05 --> 00:29:08: Hotels is really. You know that that worked and and
00:29:08 --> 00:29:10: that you know we believe that will help.
00:29:10 --> 00:29:13: We're going to enjoy ourselves,
00:29:13 --> 00:29:15: whether it's in in the shopping center or the office
00:29:15 --> 00:29:16: or or recreation facility.
00:29:16 --> 00:29:19: So how can we rebuild that?
00:29:19 --> 00:29:22: Trust that you know the covert have sort of give
00:29:22 --> 00:29:25: us a bit of a shock and and realize that
some other places may not have that the standard that

00:29:25 --> 00:29:28: our customer wants and we need to speed up and
 00:29:29 --> 00:29:31: make sure that that is the case.
 00:29:31 --> 00:29:34: Now I like that very much that there is one
 00:29:34 --> 00:29:35: last one question here,
 00:29:35 --> 00:29:38: which I thought is worth a note,
 00:29:38 --> 00:29:39: maybe as a as a footnote,
 00:29:39 --> 00:29:41: and I hope you agree.
 00:29:41 --> 00:29:44: One of the things that one of the questions and
 00:29:44 --> 00:29:47: I'm I alluded to it at the beginning is is
 00:29:47 --> 00:29:51: there any opportunity for Singapore and Hong Kong together
 work
 00:29:51 --> 00:29:55: together where whether it is GBA initiatives or within the
 00:29:55 --> 00:29:58: region and using both of what you say which is
 00:29:58 --> 00:30:01: trust and having a bit of a long term.
 00:30:01 --> 00:30:04: Impact for good. The answer must of course,
 00:30:04 --> 00:30:06: yes. There is. In a world where I think there
 00:30:07 --> 00:30:08: is polarization and distrust.
 00:30:08 --> 00:30:10: Anything that brings about trust.
 00:30:10 --> 00:30:13: Starting with ourselves must be a good thing.
 00:30:13 --> 00:30:16: So you know, I, I wonder KP and George if
 00:30:16 --> 00:30:18: you agree with that sentiment.
 00:30:20 --> 00:30:22: Absolutely.
 00:30:22 --> 00:30:28: So lots of cross fertilization of people and businesses.
 00:30:28 --> 00:30:30: I think a hunk a lot of good Hong Kong
 00:30:30 --> 00:30:32: people work in Singapore and London.
 00:30:32 --> 00:30:36: Could Singaporeans here and so?
 00:30:36 --> 00:30:39: Yeah, I think you'll find that you know between Hong
 00:30:39 --> 00:30:41: Kong and Singapore in business people,
 00:30:41 --> 00:30:45: and generally people who have who know each other well,
 00:30:45 --> 00:30:48: there's there's a lot of this friendly rivalry where you
 00:30:48 --> 00:30:50: kid each other quite a bit.
 00:30:50 --> 00:30:53: It's kind of like you do with in between siblings,
 00:30:53 --> 00:30:54: precisely like a family. Yeah,
 00:30:54 --> 00:30:56: because both are very small.
 00:30:56 --> 00:30:59: Both are vulnerable, both are precarious and both have a
 00:30:59 --> 00:31:01: great fondness for each other.
 00:31:01 --> 00:31:04: Both love food, both love all kinds of things.
 00:31:04 --> 00:31:06: So essentially, I think Hong Kong.
 00:31:06 --> 00:31:09: And Singapore are going to be linked by the hip
 00:31:09 --> 00:31:10: for a long time to come,
 00:31:10 --> 00:31:13: as AS22A tale of very happy tale of two cities,
 00:31:13 --> 00:31:16: hopefully lasting into the next century.

00:31:16 --> 00:31:19: Well, on that note, I'd like to thank both the
00:31:19 --> 00:31:22: speakers KP and George or a really in depth study
00:31:22 --> 00:31:24: and actually being so open.
00:31:24 --> 00:31:26: So thank you very much.

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