

1988: Singapore seeks MNCs, oil futures trading

MNCs wooed to help formulate economic strategies, CPF rates adjusted, oil futures market idea explored. **BY JACQUELYN CHEOK**

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Multinational corporations (MNCs) were an important component of economic strategy 28 years ago.

As Singapore sought to join the ranks of developed countries, foreign businesses offered a way to accelerate the journey, bringing in valuable investments, imparting skills and technologies and creating jobs.

At a conference initiated by the Economic Development Board (EDB) in October 1988, some 1,000 government officials and executives from selected MNCs such as AT&T and Royal Dutch Shell convened to discuss economic strategies and policies.

It was the first time EDB collaborated with eight other statutory boards – the NCB (National Computer Board), Telecoms, TDB (Trade Development Board), PSA (Port of Singapore Authority), CAAS (Civil Aviation Authority of Singapore), JTC (Jurong Town Corp), STPB (Singapore Tourism Promotion Board) and the PUB (Public Utilities Board) – in a concerted effort to promote “Singapore Inc”.

In April that year, CPF (Central Provident Fund) contribution rates for employers got bumped up two points to 12 per cent, following “exceptionally high” economic growth in the first three months – also the highest quarterly growth (11 per cent) since the government started producing quarterly figures in 1975.

CPF contribution rates for employees were lowered by a point to 24 per cent. Employers, who had been given indications of a CPF increase weeks before, found the raise to be reasonable, fair and realistic; some had anticipated a bigger rise.

Meanwhile, the momentum for an oil futures market in Singapore started quickening around February. Oil companies and traders were invited by the Monetary Authority of Singapore to a meeting that month to explore the establishment of oil futures trading.

The Business Times reported that Singapore had been discussing the possibility of a link-up between the Singapore International Monetary Exchange (Simex) and the New York Mercantile Exchange (Nymex) which would allow for extended trading hours.

Then, Nymex was also holding discussions with Tokyo on a link-up, and traders had predicted that oil futures would be unlikely to take off first in Singapore.

Excerpt



Philip Yeo was EDB chairman in 1988

MNCs to help shape economic strategy

SINGAPORE'S economic development strategy for the 1990s is to be mapped out with a helping hand from major multinational corporations that have significant operations in Singapore.

Initiated by the Economic Development Board, a conference to be held on Oct 24 and 25 will see about 1,000 MNC executives and government officials discuss strategies to enable Singapore to attain a developed country status in the 1990s.

“Global Strategies: The Singapore Partnership” will see world industry leaders participate in panel discussions to capitalise on “a spirit of partnership between MNCs, the Singapore government and other local corporations.

Prime Minister Lee Kuan Yew

will deliver a keynote opening address on a geopolitical analysis of international and regional developments affecting global business.

This will be followed the next day by four panel discussions. The first will provide EDB's current thinking on economic policies in the 1990s. The other panels, involving industry representatives from Japan, the US and Europe, will explore developments in the three regions and their implications for the Singapore economy.

“This is a very interactive conference on behalf of Singapore Inc,” noted EDB's general manager, Mr Tan Chin Nam, adding that government strategies would be presented to the corporate world in an “effort to learn from each other”.

APRIL 29, 1988

CPF: 12pc for employers and 24pc for employees

First quarter growth of about 11pc exceptionally high

FEBRUARY 11, 1988

Meeting soon on set-up of oil futures market

MAS INVITES OIL COMPANIES AND TRADERS FOR TALKS