

S'pore-Russia ties great value for all

By REICO WONG

SINGAPORE'S economic relations with Russia have been strengthening over the last few years, with total trade between the two rising at an annual compound rate of 28 per cent since 2003 to hit a record \$5.2 billion last year.

In the first eight months of this year, trade and investments have already reached \$3.12 billion, according to statistics from IE Singapore.

It is clear that Singapore is creating value for Russia and Russian companies, said Trade and Industry Minister Lim Hng Kiang during the sixth Russia-Singapore Business Forum (RSBF), held at Marina Bay Sands' Grand Ballroom yesterday morning.

He pointed out that more Singapore firms are becoming increasingly active in Russia, **venturing beyond** the big cities like Moscow and St Petersburg.

For instance, RSP Architects is working on a master-planning project for an information-technology park in Tatarstan, a federal republic in the west of Russia.

More Russian companies have

also been setting up operations in Singapore to do business here and elsewhere in Asia, Mr Lim said, adding that "creating value will always be a priority to Singapore".

"We have responded to our constraints of small physical size and small population by harnessing those pressures to drive innovation in both hardware – such as transport and housing infrastructure and industrial parks – and software, such as water and environmental management."

The International Monetary Fund said last week that Russia will have to cut its spending, including that on pensions, to keep its budget in check.

The country is also **vulnerable** to swings in oil prices and needs to reduce its high dependency on commodity exports, it added.

If oil prices were to remain at about US\$90 (\$118) a barrel, however, Russia could still see about 4 to 5 per cent economic growth, said Mr Herman Gref, chief executive of Sberbank.

He added that the Russian banking and finance system remains stable, with sufficient capital to see it through the next crisis.

Some economists, such as

those at Barclays Capital, share a more optimistic outlook that the country will see steady growth.

After slowing in the first half of the year, Russian gross domestic product growth should accelerate in the coming months as third-quarter monthly indicators have been "solid", Barclays' analysts said in a report.

Industrial production, consumer demand and, particularly, investment have been improving along with foreign trade.

"Inflation also seems to be on the **downtrend**, and we expect it to fall below the 7.5 per cent year-end target," said the bank.

"This is helping real wages to rise, a positive for the consumer sector. Brisk bank lending is also supporting private consumption."

While the forum yesterday focused on opportunities in Russia, it also touched on other emerging markets such as China, India and Indonesia.

The large domestic markets of these Asian countries, particularly with the affluence of the growing middle class, is expected to richly power consumption, and fuel the new phase of world economic growth.

Strong economic fundamen-

als – such as high saving rates in both the private and public sectors – will also allow for easier adoption of policies to stimulate growth, if necessary.

Yesterday, the Singapore Management University and the Skolkovo School of Management opened a centre for emerging markets on the sidelines of the RSBF. It will undertake research, academic and business-**outreach** programmes focusing on the top growth areas in the world economy.

The centre will also help develop business models for companies attempting to operate in the emerging markets.

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HELPDESK 我的字典

Venturing beyond:
跨出 kuà chū

Vulnerable: 容易受影响的
róng yì shòu yǐng xiǎng de

Downtrend: 下降趋势
xià jiàng qū shì

Outreach: 扩大服务范围的
kuò dà fú wù fàn wéi de