

A link between Russia and Asia

By TEH SHI NING

SINGAPORE can play a key role as broker between Russia and Asia, particularly as a bridge to China, panellists at the Russia-Singapore Business Forum said yesterday.

Opportunities for collaboration exist in areas such as infrastructure, technology, and in efforts to tackle food security issues, they said in a session focused on the Greater China growth area.

One possibility is for Russian companies to partner ones like Singbridge International Singapore on its economic and urban development projects in China, said Ko Kheng Hwa, chief executive of Singbridge, the Temasek Holdings unit currently developing the Sino- Singapore Guangzhou Knowledge City.

While Singbridge has no plans as yet to launch any similar project in Russia, he sees potential for Russian companies to get involved in building up sustainable cities in China - from the provision of products and services to investment in R&D and IT.

This could also serve to build mutual understanding and pave the way for potential cooperation within Russia itself, Mr Ko said.

Singbridge is currently in active discussion with more than 50 industry investors for the Guangzhou Knowledge City project, he said.

Singapore can act as a good springboard for Russian investors to enter China, especially given the advantage of guanxi, or connections, brings to doing business in China, said Sam Goi, executive chairman of frozen foods manufacturer Tee Yih Jia, which has a strong presence in China and distributes in Russia too.

But the pervasiveness of guanxi in China is not something that should be encouraged, said Robert Tsao, chairman emeritus of United Microelectronics Corporation. Transparent laws and regulations and a consistent, transparent judiciary still make for a much better investment environment, he said.

The Economist Group's chief representative in China, Xu Sitao, added however, that while investors 'should not be at the mercy of guanxi', they must face up to the realities of business at present - that structural changes will take time to effect and that a local partner's help in mediation is still needed.

He sees possibilities for collaboration between China and Russia in agriculture - to tackle increasingly important food security issues.

Infrastructure, especially the building of transport infrastructure across the border, could be another potential area of growth in investments between China and Russia, said Mr Ko.

Such investment could also 'become a greater multiplier for trade, investment, and people flows'.