

From the Desk of
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Press Statement

I watched the CNA documentary on the reserves with much interest and thank the Prime Minister for his summary on what they mean to Singapore.

I agree with the Prime Minister that as a small, vulnerable country, we need to accumulate our reserves. They are what we depend on should we have another rainy day(s), like the Covid-19 pandemic.

After watching the documentary, I am even more convinced of the importance of having an independent President with no past association with the Government.

If everyone involved in shaping our reserves policy is from a small circle of those in power, there is a real danger of groupthink.

This is already a concern among many people about the political leadership, that they all think alike. If even the President was from this circle, it is doubly dangerous.

We should have more people outside of this circle who have different perspectives and views.

Why is this important? Because there are still many areas in our reserves policy that need to be discussed and refined.

For example, there is the issue of how land sales should be computed as past reserves, what investment policies our sovereign wealth funds should pursue to better protect our reserves, and how transparent they should be so that they are more accountable to the people.

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In fact, just this week, DBS Bank CEO Piyush Gupta suggested that more of the reserves be used to scale up Singapore's presence in new sectors and industries.

An independent President who has had no previous association with the Government's reserves policy will be better able to view these issues with a fresh pair of eyes.

In the CNA documentary, I found the history of the late President Ong Teng Cheong's involvement in the issue of using investment returns on the reserves especially interesting. Mr Ong had argued against the use of the returns, before suggesting a cap of 50 per cent. This was the origin of the 50/50 ratio of what is now known as Net Investment Returns Contribution.

I believe President Ong, a former private sector architect, was able to bring a fresh perspective into his new role. He was Deputy Prime Minister but he was never immersed in financial policy making, with the Finance ministry MAS or the sovereign wealth funds.

The most important quality you need to exercise real independence is not knowledge about the matter or experience, even though they are important. It is ultimately about political courage to challenge the Executive whenever necessary in the interest of the country. President Ong had this quality.

One other point I concluded after watching the documentary: Why it is important for the President to be more transparent and accountable, which is a central pillar of my campaign (One chance for change).

It would have been better to hear from a President the workings of the presidency and some of the issues concerning the reserves, just as we have heard from the PM in the CNA documentary.

There are two keys in our system. The PM holds one key. The President holds the second key. It is a different key, not a duplicate key.