

Chee Hong Tat: Opening remarks - Nomura Investment Forum Asia

Opening remarks by Mr Chee Hong Tat, Minister for Transport and Second Minister for Finance, and Deputy Chairman of the Monetary Authority of Singapore, at the Nomura Investment Forum Asia, Singapore, 4 June 2025.

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Good afternoon. I am delighted to join you at the Nomura Investment Forum Asia. I thought this is an opportunity to be able to engage everyone over lunch; gives us an opportunity to share with all of you some of our thoughts on the current situation and how we want to move forward. I don't think I have to spend too much time to explain why we are now in a very different environment. I am sure you have heard this many times and you have experienced it day-to-day in your jobs.

Just before I came, I saw on the news flash, that the latest S&P Global Singapore Purchasing Managers' Index has fallen in the month of May. In April, it was 52.8 and in May, it has fallen to 51.5. Of course, fortunately, it is still above 50 but this is actually one of the lowest in the last few months. It is a reflection of the concerns that businesses have with regard to the more uncertain environment that we are in. And of course, we know that the uncertainties continue. It is not over yet. We may experience a bit of reprieve when there is a pause, like the 90-day pause – there are a number of these pauses – but we don't know what will happen after the end of the 90-day period. We also don't know whether there will be new rules and changes later. So the long and short of it is, I think we can all agree, it is now a much more uncertain, turbulent and volatile world.

So what can we do? I think if we look at it more positively, there will be some areas where we can still do something to be able to improve the situation that we are in. We are not entirely without agency. There are things we can do.

a. For example, the trade in the US, as a result of all the tariffs and uncertainty, will definitely be affected. But it doesn't mean that we can't look for opportunities to further increase trade, investments and cooperation amongst other countries, between regions as well. So for example, Europe and Asia, and with countries in the region, how do we further strengthen collaborations with Japan and ASEAN, China, India, and many others.

b. So it is not that because the US is now pursuing a very different environment, and it is a changed world, that there are therefore no opportunities in other areas.

But having said that, it doesn't mean that these opportunities will automatically be translated into outcomes. The potential is there. So we talk about say for example, between Japan and ASEAN, between India and ASEAN, between Europe and Asia, I think we can all see the possibilities and potential. But having the potential is just part one; we must be able to translate the potential into outcomes – down to the actual projects that we can do together, the investments that we can do together, the trade links that we can do. If I may share one frank observation – today, we see a lot of focus on how we can further strengthen collaboration, trade, and investments. I think it is a move in the right direction. But until these aspirations are translated into outcomes, into

actual projects, investments, and trade flows, businesses may still not feel the benefit in Asia, and the uncertainties will still continue.

So one of the first things I will put forth to everybody is that governments and also companies need to look for how we can use this as a reminder, use the crisis as an opportunity to spur ourselves into expediting the economic transformation that we need within our economies but also between countries. If we can do that, it will open up new opportunities, new trade flows, new investments, new projects that we can work together, and hopefully, that will give a cushioning impact on what we are now experiencing with the tariffs and trade wars.

Opportunities Ahead

So if I look at financial services, Singapore is a leading financial centre in Asia and our key objectives are to connect global markets, to support Asia's development and how we can better serve our companies in Singapore.

So today, the financial services sector is a key economic driver – its contribution to Singapore's GDP has grown from 12.5% in 2018 to 13.8% in 2024, and it employs close to 200,000 professionals in Singapore.

So amidst the current fast-changing environment, more volatile environment, we will continue to look for ways to strengthen our position as a trusted financial centre, how to enhance our connectivity with key markets and how we can continually improve the rules and processes to sharpen our competitiveness. So I would like to, in my speech today, touch on each of these three areas in turn, and we can get into further discussion later during the fireside chat.

Strengthen Position as Trusted Financial Centre

So first, how to strengthen our position as a trusted financial centre. Now in a more uncertain world, trust, reliability, I think will become more valuable. The trust premium is a competitive advantage that has enabled Singapore to build a vibrant financial services sector.

a. Global financial institutions continue to set up and expand their regional businesses in Singapore due to this trust premium and it is something that we have built up over the years and we must continue to nurture this, safeguard this, our trusted reputation. Businesses choose Singapore because they know that they can count on a stable environment, on clear rules, consistent policies and a business-friendly environment.

b. Singapore also has deep capabilities to allow our companies to grow, especially in areas like, say for example, asset management, and this is both public and private markets. We are a trusted gateway for international investors to access investment opportunities in Asia, and also for Asian investors who want to invest globally. And this can cater to investors who are looking to rebalance their portfolios into Asia. Earlier when I was in the holding room having a chat with some of the Nomura executives and there is this shift – some of the assets moving out from certain places into other places in the world. I think this is something which if we

play our cards right can also bring new opportunities for our financial sector.

c. Now Nomura's presence in Singapore bears testimony to some of the points that I made earlier. In recent years, it has steadily grown its Foreign Exchange (FX), Markets, and also its Wealth Management businesses in Singapore, to better serve its clients and also to look at how it can help its clients to be able to use Singapore as a base for their Asian operations.

d. So I think that is the first point, how do we further strengthen our position as a trusted financial centre and competitiveness.

Enhance Connectivity with the Region

The second one is how do we enhance our connectivity with the region. So deepening financial connectivity can support and catalyse trade linkages between like-minded economies and trade partners.

a. At the 12th ASEAN Finance Ministers' and Central Bank Governors' Meeting held in April, the Ministers and Governors agreed to deepen economic integration and financial connectivity.

b. So allow me to cite two areas where we have seen good breakthroughs. First, ASEAN has made significant progress in enhancing and expanding regional payment linkages:

i. Singapore's first cross-border instant payment linkage happened when the Bank of Thailand and MAS launched the PromptPay-PayNow linkage in 2021.

ii. We have since expanded our bilateral instant payment connectivity to Malaysia and also India.

iii. Building on this momentum, the ASEAN-5 and India are working on a multilateral payments gateway called Nexus, which will allow us to connect with even more markets and payments corridors, both within and beyond ASEAN.

iv. And this will benefit individuals and also our companies, especially our SMEs, which can use these linkages for faster and more secure cross-border payments and also support closer economic and trade linkages.

c. Sustainable finance is another example where we have seen good progress on ASEAN connectivity. The MAS has worked in partnership with our counterparts in the region to develop the ASEAN taxonomy¹, which aims to facilitate sustainable financing flows within ASEAN.

i. The ASEAN taxonomy provides a common framework for classifying green and transition projects and economic activities in the region. This helps channel capital towards activities that promote the transition of the real economy onto a more sustainable pathway.

ii. With this clear and consistent taxonomy, ASEAN will be better placed to

attract more sustainable financing for key projects. The final version of the ASEAN taxonomy will be completed in November this year, and we look forward to its adoption by investors and corporates in the region.

d. Ladies and gentlemen, we can draw inspiration from the progress that we have made in these two areas, in payments and also in sustainability, and the push for greater connectivity in other key areas will include our capital markets and also cross-border data connectivity.

e. So that's the second area – enhancing connectivity in the region.

Continually Review Rules and Processes to Improve Singapore's Competitiveness

The last and final area I want to touch on is how can we continually review our rules and processes to improve our competitiveness. So this is an area where I think we need to continue to do more because things will develop very quickly. We have new services, new business models, new requirements, and it is incumbent on us to be able to keep up with these new changes. And in doing so, we can improve our efficiency, we can reduce business costs, and make ourselves more attractive to businesses and investors.

So MAS will continue to closely engage the industry to see how we can enhance the areas for improvements, where are the pain points, where are the new opportunities and to facilitate new growth opportunities. And if I may just again cite two recent examples:

a. In Wealth Management, MAS has significantly shortened the timelines for family office tax incentive applications to less than 3 months, with the roll-out of a new system and streamlined application process at the start of this year. This was in response to industry feedback on the long processing time in the past and of course, the challenge that I set for my colleagues is, let's continue to see how we can do even better. We have made some improvements, but I think we can still look at how we can do better, what are some of the areas for further improvement and we welcome feedback and suggestions from our friends in the industry.

b. On Capital Markets, MAS is seeking feedback on proposals to streamline our prospectus requirements and to broaden investor outreach channels for IPOs. The proposals fall into three main areas:

i. For primary listings on the Singapore Exchange (SGX), MAS is proposing for issuers to focus on the disclosure of core information that are most relevant and material for investors. This will concentrate the issuers' efforts on disclosures that are most pertinent for decision-making by investors.

ii. For secondary listings on SGX, MAS is proposing to align disclosure requirements with baseline international disclosure standards. These simplified requirements will allow issuers who already have primary listings elsewhere to use the same prospectus and with minimal adaptation for their secondary listing on SGX.

iii. The third proposal is around changes to existing legislation, to allow issuers to gauge investor interest earlier in the IPO process. This will support bookbuilding efforts, as well as give investors more time to familiarise themselves with the issuers and their intended offers.

So ladies and gentlemen, I have given you just some examples but there are many more.

a. For MAS, one of the ways it is working closely with the industry is to set up regulatory sandboxes, so that we can test out new ideas, new concepts in an environment which, even if it fails, will not have a wider systemic impact on the financial system. So it is safe to fail. Even if you try and fail, it is contained within the sandbox. But if it works well and succeeds, we can then look at how we can scale up some of these ideas, and extend them across the system.

Conclusion

Let me conclude my speech, before we proceed to the next part of the session, which is the fireside chat.

I want to put to all of you that even though we are now living in a more turbulent and uncertain period, it is precisely in these times of uncertainty that dialogues like this, that partnerships like this, matter most.

a. So I would like to welcome your feedback and views on how we can work together, how we can respond to some of these challenges, and how we can seek out new opportunities in these uncertain times,

b. And I am confident that if we work together - and this is one of the strengths we have in Singapore - the ability to work closely between the tripartite partners – between the Government, industry and the workers in the unions to be able to look at how we can transform ourselves, how we can look ahead, anticipate where are the new opportunities and then work together to prepare ourselves for these new opportunities.

c. In some other places, it is not that they cannot see the opportunities or that they cannot think of the changes that are needed, but it is that they cannot translate these ideas into implementation because there will always be different groups that will be affected differently when they make some of these changes. So the trust that we have built up and the ability to work across the tripartite ecosystem - Government, industry and the unions and workers - that is one of the key strengths we have in Singapore, and I hope that it will help us to better deal with the current crisis that we are facing and, in the process, seek out new opportunities for our businesses and our people.

I look forward to continuing the conversation with all of you over the fireside chat. Thank you very much.

¹ The ASEAN Taxonomy was first launched in Nov 2021; the third version was launched in Dec 2024 and the final version (V4), is slated for publication in Nov 2025.