

Mr. Ong Boon Hwee and distinguished guests.

My name is Manerep Pasaribu and my work is in Indonesia. I am very excited to be with you this morning.

Thank you so much for this opportunity to share information regarding the progress of the Implementation of a Steward Leadership Strategy in Family Busine sses and State Owned Companies in Indonesia. A Steward Leadership Strategy is an essential part of an overall business strategy in an organization.

I'm very happy to announce that The Indonesia Strategic Management Society (ISMS) has worked with Asian Stewardship since 2015. In previous meetings we repeatedly discussed The 7 Principles of Steward Leadership with The Asian Stewardship Team in Temasek /Singapore and ISMS/ Jakarta. The goal is to understand The Principles of number 1. Driven by purpose, anchored on values; 2. Cultivate an ownership mentality: take responsibility and pride; 3. Balance short-term and long-term perspectives, build for the future; 4. Expect changes and disruption, create agility and resilience; 5. Embrace inclusiveness, build strong stakeholder relationships; 6. Do well, do good, do right: contributing to community as a responsible corporate citizen; 7. Be mindful about succession planning, effect timely leadership transitions more deeply. We know that the better we comprehend a strategy the better we can explain it to others and that makes it easier to implement in an organization.

The Sharing Experiences for the Steward Leadership Roundtable on 4 June 2019 at Shangri-La Hot el, Singapore



Last year our activities were as follows:

- 1. During the first activity, Mr. Ong Boon from Asian Stewardship held the Training of Trainees (ToT) workshop about The 7 Principles to members of ISMS in Jakarta on 12 November 2018. Our hope is that Mr Ong Boon's workshop facilitated the sharing of information with our colleagues or other institutions e.g. SOE's, Family-Business, e tc.
- 2. The second activity was Asian Stewardship and ISMS facilitating a Stewardship Conversation with family businesses at Kempinski Hotel Jakarta on 12 November 2018. Our goal is for family businesses to implement The 7 Principles in their organizations.
- 3. Our final activity was a guest lecture delivered by Mr. Ong Boon to Universitas Indo nesia students on 13 November 2019. The objective of this lecture was to introduce T he 7 Principles of to Indonesia's next generation of leaders enabling them to enter the workforce with an understanding of the The 7 Principles. Ideally they will implement T he 7 Principles in their organizations. Our next step is to disseminate The 7 Principles of Steward Leadership to a wider range of organizations in Indonesia (Family Busines s, SOE's etc.).

As part of our roadmap, this year's program is focused on Stewardship Conversations about The Implementation of Steward Leadership Strategies in State Owned Companies. We have proposed that our next conversation be held in November 2019 in Jakarta. We invite all of you to join the discussion.

Thank you so much for revisiting these topics with me today. I think The 7 Principles of Steward Leadership are essential to successful organizations or enterprises. We hope Mr. Ong Boon and his team are able to rejoin us in Indonesia this year.

Again, thank you so much for this opportunity to share and learn from each other's periences in your organizations.































SPEECH BY MR HENG SWEE KEAT, DEPUTY PRIME MINISTER AND MINISTER FOR FINANCE, AT STEWARDSHIP ASIA ROUNDTABLE 2019, 4 JUNE 2019, 12.30PM, AT SHANGRI-LA HOTEL

Mr S Dhanabalan, Chairman, Temasek Trustees, and Member, Council of Presidential Advisers

Mr Lim Boon Heng, Chairman, Temasek Holdings

Ms Ho Ching, Executive Director & CEO, Temasek Holdings

Mr Hsieh Fu Hua, Chairman, Stewardship Asia Centre

Mr Ong Boon Hwee, CEO, Stewardship Asia Centre

Distinguished Guests

Ladies and Gentlemen

A very good afternoon to all of you.

- 2. I am happy to join everyone at the Stewardship Asia Roundtable 2019 today. To our overseas guests who have travelled to Singapore, a very warm welcome to all of you.
- 3. The Stewardship Asia Centre brings together like-minded leaders of companies to share and learn from one another how we can foster effective stewardship and governance across Asia.
 - a. Many business leaders ranging from family-based businesses, to MNCs and institutional investors, are gathered here today.

- b. The theme of this roundtable conference "Business Future (Re)discovering Stewardship" is timely, amidst a changing economic and geopolitical landscape.
- 4. Let me first share my thoughts on three key global trends that can impact the way we steward our businesses.

Key Global Trends

- 5. The first trend is the rapid emergence and convergence of new technologies.
 - a. We are in the midst of Industry 4.0. New technologies such as Artificial Intelligence and the Internet-of-Things, are transforming our lives. It has the potential to solve some of the most pressing problems we face today, such as climate change and healthcare.
 - Two weeks ago, I attended the Pujiang Innovation Forum in Shanghai. Singapore participated as the Country of Honour. At the forum, participants actively explored opportunities for strengthening collaboration in various fields.
 - ii. In April, I was in San Francisco. Various business leaders and innovators shared how cutting-edge digital technologies are enabling new businesses and social models.
 - b. However, these advancements in technology also bring about other challenges, such as changing the nature of jobs and the growing digital divide between the "know" and "know-nots".
- 6. The second trend is the decline in support for globalisation. Some are questioning its value as the fruits of globalisation have not been shared equitably.
 - a. This has manifested in many ways around the world. For example, the current US-China trade friction and the slow progress in global trade negotiations.

- Globalisation has also enabled companies with competitive strengths to scale across markets. It has allowed greater competition for skilled talents among these companies, leading to greater wealth accumulation at the upper end.
- c. The decade of expansion post-Global Financial Crisis also appears to be coming to an end.
 - The International Monetary Fund has downgraded its global growth forecast for 2019 three times in the last one year.
- d. Taken together, people are frustrated that wages are stagnating, political systems are malfunctioning, and their lives are not improving.
- 7. The third trend is the growing economic and strategic weight of Asia.
 - I just returned from the Nikkei Conference held in Japan last weekend.
 Participants recognised the potential of Asia.
 - b. Asian economies' share of global GDP is projected to double, from 26% in 2000 to 50% by 2050.1
 - c. In particular, ASEAN has bright economic prospects.
 - i. The 10 economies of ASEAN are projected to become the fourth largest in the world by 2030.²
 - d. Asia is expected to account for nearly 900 million of the next one billion of new entrants into the middle class globally. It is projected to generate more than half of global middle-class spending by 2030.³
- 8. Now, I should add that, at the Nikkei Conference, I also warned that the Asian Financial Crisis happened after we said this is the Asian century.

¹ Source: ADB, Asia 2050: Realizing the Asian Century, 2011

² Source: US ASEAN Business Council

³ Source: Research by Brookings Institute, The Unprecedented Expansion of the Global Middle Class – An Update, 2017

- a. I warned that none of this is a given.
- b. The prospects are promising, but if you go by these nice projections and assume that the world will go that way, it is a dangerous idea.
- c. We need to work together to realise this potential, and not get carried away.

Where do we go from here?

- 9. Where do we go from here? These trends have implications on how we steward our organisations. Please allow me to share three ways in which we can continue to be good stewards of our future:
 - a. First, invest in innovation;
 - b. Second, invest in people; and
 - c. Third, invest in the community.

Invest in Innovation

- 10. First, businesses should invest in their future through innovation.
- 11. As technology advances, and with global economic and strategic weight shifting towards Asia, supply chains will reconfigure. Businesses have to be quick to innovate, in order to stay relevant and competitive.
- 12. Leadership is key in steering our companies to innovate and transform.
 - a. Leaders need to take ownership by charting a path of future growth through innovation, and energising their teams around this.
- 13. Companies need to make the effort to understand new developments in technology in their fields, consider how these can be adopted and integrated into existing business processes, and create new value.

- a. In the past, the key assets of companies were largely tangible such as fixed assets.
- b. Today, companies compete through the generation of ideas, and enhancing value through intangibles such as intellectual property and brand recognition.
- c. These are made possible through innovation, where companies create new products and services through new processes. These also entail re-design of jobs.
- d. In turn, workers can stand to earn higher wages from better jobs and improve their lives.
- e. The relationship between companies and workers is synergistic more competitive companies provide better jobs; and highly skilled workers make companies stronger, more productive, and more competitive.
- f. During the process of innovation and transformation, there will be trade-offs between short-term returns, which drive many shareholder decisions, and long term growth.
- g. Companies must be prepared to plan and invest in innovation for the long term.
- 14. At the industry level, the Government actively supports innovation and economic restructuring with the Industry Transformation Maps (ITMs).
 - a. To date, we have launched 23 ITMs covering about 80% of Singapore's economy, focusing on driving innovation, promoting internationalisation, and raising productivity and the skills of our workers in each of these 23 industries.
- 15. Continuous innovation with technological advancements means that the jobs of tomorrow will be different from the jobs of today. This brings me to my next point, which is to invest in people.

Invest in People

- 16. People are our most valuable resource, and investing in them is of utmost importance.
 - a. The World Economic Forum (WEF) Future of Jobs 2018 report estimated that advanced technologies could result in the loss of 75 million jobs worldwide by 2022. At the same time, up to 133 million new jobs – almost double what might be lost – may be created by the same technologies.⁴
 - b. To keep up with the fast-changing environment, we must empower our workers to develop an attitude and spirit of continuous and lifelong learning.
- 17. Lifelong learning must be more than just a slogan. The long term growth of our businesses is only as good as the capabilities and skills of our workers.
 - Leaders can facilitate this by promoting upskilling and reskilling among workers, and utilise the skills that workers have learned or re-trained.
 - b. This is so that technological advancements will help workers do their jobs better, smarter, and not replace them.
- 18. In recent years, the Singapore Government has also stepped up our efforts in lifelong learning.
 - a. I announced in this year's Budget that the Government will spend 3.6 billion Singapore dollars over the next three years to help our workers thrive amid economic transformation.
 - b. Efforts like the SkillsFuture and Professional Conversion Programmes have helped our workers to pick up new and relevant skills, and put them into practice in an increasingly technology-intensive work environment.
- 19. Apart from raising capabilities, investing in people also means that companies should look after the health, safety and welfare of our workers.
 - a. Companies can adopt progressive employment best practices and promote fairer and more progressive workplaces.

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⁴ Source: World Economic Forum, The Future of Jobs Report 2018

Invest in Community

- 20. As we invest in innovation and develop our people, we must not forget about the larger community which we belong to. The third point I want to make is about investing in our community. Each of us plays a part in building a caring and giving society that takes care of the needy and vulnerable.
- 21. Companies should not just do well they should also do good. Companies have an integral and multiplier role to play by offering their expertise and resources, and mobilising employees to create impactful and sustainable corporate social responsibility (CSR) initiatives.
 - a. Leaders' emphasis and active participation in these CSR activities are essential to lead the giving movement within organisations.
 - b. To build a supportive environment for sustainable giving, leaders can also encourage and empower employees to take charge and be the catalyst for change themselves.
 - c. There are many areas that businesses can contribute.
 - For example, in line with the partnership between Stewardship Asia Roundtable and the Ecosperity Week this year, businesses can engage in initiatives that support environmental sustainability.
- 22. To achieve more impactful outcomes, businesses can also work together in closer partnerships with one another, and with non-profit organisations.
 - a. Large companies often have more established CSR practices or capabilities that small companies may not have.
 - b. At the same time, smaller companies can also build upon the CSR practices of larger companies by bringing in new insights and networks.
 - c. In Singapore, the "Company of Good" is a very good initiative to recognise that people are at the heart of every company. The actions of people are what

will create Singapore, where every organisation is giving back in one way or another.

- d. Through collective efforts, we can achieve more with less resources, to build a better city, a better world.
- 23. To complement these efforts by companies, the Government will continue to enable and catalyse community efforts.
 - a. For example, to support corporate volunteerism, we introduced the Business and Institution of a Public Character Partnership Scheme (BIPs).
 - Under BIPs, businesses enjoy a 250% tax deduction on qualifying expenditure incurred when they send their employees to volunteer and provide services to Institutions of a Public Character (IPCs).
 - b. In addition to the existing tax deductions on qualifying donations, we rolled out the Bicentennial Community Fund this year, which will provide dollar-for-dollar matching or donations made to IPCs. Singapore is commemorating the 200th anniversary of Sir Stamford Raffles' arrival in Singapore.
 - c. The Government has also launched the SG Cares movement to promote active volunteerism, bottom-up initiatives and everyday acts of kindness across Singapore.
- 24. Ultimately, a caring and cohesive society requires everyone, including businesses, to come together to do good for a more sustainable tomorrow.

Conclusion

25. As Mr Hsieh Fu Hua puts it, stewardship at its crux is about engaged, responsible, and meaningful value creation over the long term. This focus on the long term is important, especially when change is happening ever faster. Equally, the focus is not just on the company itself, but the benefit to the larger community. As good stewards, leaders have to continuously invest in innovation, people and the community.

- 26. Let me thank Stewardship Asia Centre for bringing us together for the 2019 Roundtable. I hope the Roundtable will once again inspire all of us to take concrete steps to steward your businesses for the future. I wish you success ahead.
- 27. Thank you.

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