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Singapore Government

PRESS RELEASE

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**SPEECH BY DR TONY TAN KENG YAM, DEPUTY PRIME
MINISTER AND MINISTER FOR DEFENCE, AT THE
UNIVERSITY OF CHICAGO CLUB ANNUAL DINNER HELD ON
31 MAR 2000 AT 8.00 PM AT THE PAN PACIFIC HOTEL**

Distinguished guests
National Archives of Singapore

Ladies and gentlemen

I would like to thank Mr Edward Liu and the Executive Committee of the University of Chicago Club, Singapore, for kindly inviting my wife and me to join you at your dinner tonight.

With the establishment of the University of Chicago, Graduate School of Business in Singapore, the diversity of education and wealth of

knowledge residing in Singapore and the region is set to increase, as will the number of alumni in the University of Chicago Club.

In the New Economy, knowledge will be a key enabler in unlocking the economic potential of both companies and nations. Together with other enablers such as political stability, open operating environments and a disciplined workforce, knowledge will be the infrastructure upon which nations and corporations will create wealth.

As a small country whose only resource is its human capital, this shift from physical assets towards knowledge as the base infrastructure needed for production will be beneficial to Singapore, only if we remain relevant in the New Economy, and if we have an adequate pool of knowledge workers with upgraded skills.

EDB's efforts in attracting world class universities to Singapore is a key component of our efforts in adapting to a world where the creation and effective use of knowledge will separate successful companies and countries from the ones who are left behind.

Our universities and overseas institutions which have decided to set up a presence in Singapore, such as the University of Chicago, MIT, INSEAD, Georgia Tech, Johns Hopkins and Wharton, have three key roles to play in helping Singapore to transit successfully to the New Economy.

First, universities must provide an education that will prepare its graduates for a global economy.

These students must be well equipped to adapt to a world where economies of scale are vastly magnified by the use of technology.

In particular, they must learn to think and act globally because the market space as defined by the Internet does not have boundaries.

The rapid rise of companies such as Yahoo! and Amazon.com is testimony to the developing trend of companies being able to dominate entire markets because of their effective use of knowledge, as well as the expanded market space made possible by the Internet.

Second, universities must take the lead in the creation of new

knowledge, technologies and ideas.

This is accomplished through conducting research and development at both the basic and applied levels.

Although applied research brings about faster outcomes and solves immediate and short-term problems, upstream basic research will continue to expand the thresholds of possibilities by providing the basic building blocks of advancement in knowledge necessary for new and practical breakthroughs.

Schools like the University of Chicago can help to expand the role of universities from the training of the workforce, to the creation of new jobs and industries through breakthroughs in research and development.

Third, universities must maintain a close link with industry and the business community.

In today's fast changing world, it is no longer possible for academics to ignore the world of business and commerce and lock themselves in ivory towers.

Through working with companies operating in a competitive environment, university faculty can understand and assess the conditions under which these companies exist and contribute to improving the operations of the companies.

The advantages of maintaining close ties with industry and the business community extend beyond having a wider perspective of the faculty's field of interest.

These relationships often lead to mutual interdependence in terms of knowledge transfer and possible financial support.

Businesses have much to gain from drawing on the expertise resident within the faculty of a university.

Conversely, faculty members can draw upon the experience accumulated by various companies.

I have no doubt that the University of Chicago, with its rich share of experience and expertise, will be a most valuable asset to Singapore's development as a knowledge hub.

I look forward to the launch by the University of Chicago Graduate School of Business of its first Executive MBA programme to be held in Singapore

in September 2000.

I wish the University of Chicago Club every success in its activities here and I congratulate the University of Chicago on the establishment of its Graduate School of Business in Singapore.

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