

Foreword

I have been very privileged to be associated with economic issues for most of my career in the public sector. I have come to realize the importance of careful and rigorous economic thinking as the basis of formulating sound public policy. Of course, economics is still more of an art than a science. Nevertheless a good understanding of its principles is still crucial as a necessary, if not sufficient, condition for sound and coherent economic policy.

It is therefore very interesting to note that NTU has organized annual seminars on topical economic issues with the Ministry of Education for teachers and students. This forum enables the transmission of economic knowledge acquired in academia to future generations of Singaporeans at large and its future leaders in particular. Given the imperative of sound economic policies for a small country immensely dependent on global trade, such a transfer of knowledge is vital for our future.

This book is a result of such a seminar. The contributors of the chapters have brought together materials that are highly topical like the current financial crisis and the global recession as well as analyses of the fundamentals of our economy.

Experts worldwide are debating whether this “tsunami” of the financial crisis could have been foreseen. A minority is of the view that this crisis is no “Black Swan” event and there were apparent signs of its impending arrival. Whatever the outcome of that debate, the more important issue is how economies like ours can withstand such periodic crises and emerge to take advantage of the opportunities thereafter.

Whilst the current financial crisis is gripping headlines everyday, as Singaporeans, we cannot forget the fundamentals that will govern our future prosperity and viability even as we prepare ourselves to weather this storm. I perceive the purpose and value of these NTU–MOE Seminars as a means to pass on the understanding of these economic fundamentals and realities. Given the sound economic foundations that we have built for ourselves so far, I believe that our economy does have the competitiveness and resilience to continue to prosper with the help of future generations. On that note, I wish all the participants of the Seminar and the readers of the following chapters an interesting and thought-provoking journey.

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