

Minister	<p>...You had a question about what my views on the current situation there. ...</p> <p>I look at it as a situation that can be looked at several levels, and that's an important point for me. That there are different levels to the issue. At the first level, the most basic level, it's a law and order situation. People breaking into the legislature, defacing flags.</p>
SCMP	Okay.
Minister	<p>Airport sit-ins, weekly street protests for more than two months, then last week, of course, the police stations being surrounded, vandalized. And you have more incidents this week: train services disrupted, protests in many places.</p> <p>So you look at this situation from a government perspective.</p> <p>Any Government will have to deal with this law and order situation. Right?</p> <p>So that's at one level - looking as it as a law and order situation.</p>
Minister	<p>At another level, when you see the extent of the protests, several thousands of people on the streets, and not just young people, but also people from different professions, civil servants, others. For weeks. Then it suggests that you maybe have to also look at possible underlying causes for those protests. These need to be dealt with as well, in addition to the law and order situation.</p> <p>So what are these possible underlying causes?</p> <p>Number of possible causes have been mentioned by others. You look at young people their material aspirations need to be met - a better life, housing, several issues.</p> <p>Every Government has to deliver on these things. If you actually look at it, the Government in Beijing, it delivers on these issues. And I'm sure the Hong Kong Government is aware of these aspirations, and the issues, and will look for solutions. People's aspirations need to be met. Solutions need to be found. But, I will add, the solutions cannot be found if serious disruptions like these continue.</p> <p>Second, I'm not saying it's all material, I mean, it may not only be material aspirations. It appears that a number of the protestors also have an ideological perspective, they would like to see a different structure of government. Unlike socio-economic issues, ideological issues could be more difficult to deal with. And these seem to be deeply entrenched positions. My own view, I don't want to speak for the Government - my own view, when we see this, we are worried for Hong Kong.</p>

Because there's no easy way forward, when people are in such entrenched positions. To go forward is going to need compromise and a clear approach that deals with the problem. Not just political, but also the social-economic problem. And quite importantly, to solve problems, HK needs a supportive China, and the solutions need to work for both HK and China.

On the political issues: In Hong Kong, defiance has been demonstrated towards PRC state symbols like the crest and the flag. Agitation has been targeted in Mandarin at PRC residents in the hope that they will take it back to China. Singing the US national anthem, this is not going to help.

That's my view.

And if you look at it internationally, outsiders looking in, I think a confused, muddied picture has been presented because international news organizations have dealt with very superficial analysis, engaged in labelling. All protesters are automatically, generally, democracy fighters. Police on the other hand, are oppressive, attacking the forces of democracy, using excessive force. 'They're negative, they're an evil force.'

A fair bit of the coverage reflects a very skewed perspective, from a very ideological lens.

On the political issue. Look, Hong Kong is part of China. Beijing, will expect Hong Kong to adapt to the political structure that prevails in China. Adapt, not adopt.

Some of the protestors seem to think that China will allow a very different system in Hong Kong. That is wishful thinking replacing reality. How will China's leaders look at it? They didn't discuss this with me and I don't discuss this with them, I'm looking at this from outside.

The history, past events, and looking at the Leaders' Statements - my view: they will say this is ultimately aiming at the Communist Party's rule in China.

They could think that's the real aim. Are they going to be willing to accept that?

Chinese leaders could also ask: You look at all the different political systems in the world. You look at the West; you look at the different political systems.

Let's look at facts, as opposed to ideology.

China's system selects very competent, best people in government. Competent. And over 35 years, it has uplifted more than 500, 600 million people out of poverty. No country has done that in history, in 35 years. No country.

	<p>Not enough credit is given for that. It's a huge achievement.</p> <p>Could that have been achieved under any of the other systems? The Chinese leaders will also ask you about the well-being of the people in China. Is there a system, a political system that can do better for the people of China, compared to the current system?</p> <p>Which one?</p> <p>Name one?</p> <p>Whose system is better?</p> <p>So ideology must square with reality. Ideology is important. But it must square with reality.</p>
SCMP	You were saying some of the protesters are aiming at the Chinese Communist policy.
Minister	<p>I said that the Chinese Communist Party can well believe that ultimately, some of the protestors are aiming at their rule and control of China.</p> <p>Why do I say it?</p> <p>You sing the US National Anthem, you speak in Mandarin and tell the Chinese tourists to go back and take these ideas back to China. The leaders could think Hong Kong is just the start, for something that some people want to hope to start in the rest of China.</p>
SCMP	Fair to say that Singapore's position is same as most international countries, most countries - that to maintain one country two systems as it originally promised, and continue to be the case. That's the best case scenario for everyone, is it? That's the position I suppose.
Minister	That's what is under the treaty. I'm not an expert. If you ask me one country, two systems, it requires a sensible approach. The current situation is challenging China, and I'm not sure that Chinese leaders will accept that, or can accept that.
SCMP	Let me just try one last thing. I think you would probably agree that Singapore and Hong Kong, the greatest, greatest strength is the people plus the institution. With all these happened, have you received more and more enquiries, express of interest of people moving assets to Singapore, moving headquarters to Singapore? And is Hong Kong seeing, although you wouldn't like it, but is Hong Kong seeing a price being paid on the damaged rule of law?
Minister	I think at this stage, it is fair to say, Hong Kong has deep strengths. Hong Kong has very deep strengths.

	<p>Its financial system, its stock exchange, its valuable position as an outpost for China and the nearness to China are all incredible advantages that any investor will take into account and consider, and there is deep liquidity as well.</p> <p>These are not going to go away overnight.</p> <p>And investors are savvy people. They will make assessments.</p> <p>Hong Kong's geography hasn't changed. Hong Kong as part of China hasn't changed. Hong Kong's utility as an outpost, as a financial centre for China hasn't changed. It's not the only financial centre, but it is a significant financial centre. And it has advantages over other Chinese cities. And it has advantages, because of its nearness to China, which other places won't have.</p> <p>Unless people become pessimistic about China, I don't see immediate calculations being made by serious investors. People with easy ability to transfer money, may do different things. But I think other serious investors understand Hong Kong's position. If this carries on for a long time, and there are serious consequences for Hong Kong, then perceptions, you know, might say, try and solve this. But I think the depth of Hong Kong's strengths are such that, we're not at that stage. We're not even talking about the things you're talking about. Okay, you did say last question.</p> <p>There is some superficial talk "Oh you know, Singapore benefits". I don't believe that. We benefit from stability across the region, including Hong Kong. If China does well, Hong Kong does well, the region does well, we do well.</p> <p>There's no profit in seeing instability. And if Hong Kong is at odds with China, it's a problem for everyone, including us.</p>
SCMP	I did say last question on that part. We haven't even started on the Convention. I saw the numbers... a little bit...
<p>Interview continued on Singapore Convention on Mediation.</p> <p>[...]</p>	
SCMP	Let's take a step back. When the Finance Minister visited Hong Kong and there's also a similar message about the healthy competition and as well as cooperation. So it extends to also the legal industry?
Minister	I would say that we benefit, I have said earlier, we benefit from stability. There are different geographies that serve potentially different needs. There is scope. It's not a problem.
SCMP	So if you have to fill an adjective. What kind of competitor? Healthy?

Minister	Healthy. It is a healthy one.
SCMP	Especially in ADR.
Minister	In ADR. In the whole suite of services, that flow from finance, from investment flows. China's economy is huge. And India's economy is huge. Southeast Asian economy is at three trillion. There is enough work for Hong Kong and Singapore.
SCMP	There is also one interesting change in the region that is technology. I also understand that Singapore has a lot of building infrastructure like Maxwell Chambers.
Minister	Maxwell Chambers by itself, others can build bigger buildings. It's got to be seen together with the software, and whole aspect of rule of law. That's critical.
SCMP	It is about, the loosely termed – [inaudible]
Minister	No, I would say you start with, is there rule of law, is there confidence in the system. Do people know that rules won't be changed ex post facto? Is there clarity? It's what Mr Dilhan Pillay said just now at the Panel. Businesses want certainty and clarity. And they need to know that they are not going to get fixed. They need to know that physically they are safe. And their money is safe. Then you have all the other things come up.
SCMP	Let me try the really last question. With some of our colleagues talking to the young people in Singapore, they see the situation in Hong Kong as "Hong Kong is in a mess, and Singapore is going to be up rising and everything is fine." Is this concept misconceived or misguided?
Minister	There are many Singaporeans who do think that we are lucky that the same things are not happening in Singapore. And that is probably the significant majority of Singaporeans. If this happened to us, it would be bad for our economy and we don't have the advantages that Hong Kong has to weather such a situation. Hong Kong has several advantages which I spoke with you about. But if you wanted a one phrase answer, Hong Kong has the huge advantage of China's support. Singapore has no one to support it.
SCMP	That was Mr Lee Kuan Yew's position...
Minister	And that's a fact right. So from that perspective, I think Singaporeans see that and they say if this happens in Singapore, it will be very troublesome and they are grateful that it is not happening here.

SCMP	For the young Singaporeans, shouldn't they also read through what happens beyond that they think Hong Kong is in deep trouble.
Minister	I don't think they necessarily think that Hong Kong is in deep trouble. That's why I was very careful in the way I said it. Rather than thinking in terms of Hong Kong is a mess, because I'm in no position to say whether that's what they think. They look at it. Most people don't have much time for deep political analysis. They read headlines, read some of the stories, they have some idea of what's going on. Other than those who live in Hong Kong. Those living in Hong Kong, some of them have been reported in the media saying it hasn't affected us at all. And there are some that says it affected. But the general impression that Singaporeans would have is that we are glad this is not happening here, because we are different from Hong Kong. We are different from Hong Kong because we don't have the same advantages that Hong Kong has. Hong Kong can weather it. Singapore may not be able to weather it. I think that's the perception of Singaporeans, not so much of Hong Kong is in a mess. I won't agree that Hong Kong is in a mess.
SCMP	What I meant was that there should be a fuller understanding of the situation...
Minister	I agree that a better understanding of the situation should be there but who is going to ensure that? How many people in the world have a full understanding of what's going on in their country, let alone other countries?
SCMP	Thank you.