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Q&A: Singapore's Tay Sees Mutual Lessons in Business With Russia

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Ambassador Michael Tay sees Russia helping Singapore to think big.

At first glance, Russia and Singapore could not be more different. One is huge and the other tiny, one is mostly rural and undeveloped while the other has barely any free land.

In the last decade, the countries have been growing closer, and some see Singapore as a role model for Russia. Earlier this week in a Vedomosti editorial Igor Yurgens, chairman of the board of the Institute of Contemporary Development, suggested President Dmitry Medvedev should try to emulate Singapore's former Prime Minister Lee Kuan Yew.

A big part of the credit for bringing the two countries together goes to Singapore's former ambassador to Russia, Michael Tay.

In 2010 Russia ranked as Singapore's 24th largest trading partner, with total trade valued at $5.2 billion, up from $491 million in 2002, according to Singapore's statistics service.

Russia's Rosnano and Singapore have joined forces this summer and will be creating a nanotechnology fund with Korea.

For Tay, who is also founder of the Russia-Singapore Business Forum, which will take place on the island nation later this month, that is great news.

"Many Asian companies are willing to go to Russia now," Tay said. "The very young relationship is growing very fast."

In 2006 Tay organized the first annual Russia-Singapore forum, the only business-to-business platform between the two countries targeting small to midsized companies. The forum helped foster business connections, as well as spread knowledge about Russia.

Six years ago Singapore saw Russia as a difficult country, hostile to investment, and with crime, corruption and commercial issues, Tay said. Today Singaporean companies own real estate in Russia and large companies like state-owned Gazprom and privately owned LUKoil have opened offices in Singapore. Smaller Russian businesses are starting to grow in Singapore. It's all about making connections and using Singapore as a gateway to the East, Tay said.

One company following this approach is Parallels, a Russian software maker based in Singapore.

More Russians have moved to Singapore than ever, invested in real estate and opened businesses. There are up to 5,000 Russians permanently living the country, mostly from the Far East. That is at least ten times more than the few hundred that used to live there about six years ago, Tay said.

He sees a symbiosis in the relationship, in which the island-state provides connections, experience and ease of doing business, and at the same time benefits from Russia's way of "thinking big."

Before Singaporeans were suspicious of anything Russian, but now there is a Russian "fever." A new high-end Russian restaurant with iPad menus, called Buyan, after a Russian fairy tale island, is very popular in Singapore, Tay said. And Singaporeans are now more likely to listen to Russian music, watch Russian films and be familiar with Russian art than they were six years ago.

During his posting in Russia from 2003 to 2008, Tay was honored as the Patron of Art of the Century by the National Welfare Fund of Russia for commissioning an opera, "Singapore: A Geopolitical Utopia," to bring Russia and Singapore closer together.

The opera premiered in Moscow in 2005. It was described by some spectators as "unique," and included a prelude in which a chorus chanted the word "Singapore," occasionally interspersing a phrase describing the island, for approximately 15 minutes.

The piece was performed again at the 2007 Singapore-Russia forum. A video installation of the opera is now displayed in the National Museum of Singapore.

"Even after 100 years, no matter what happens, Russia and Singapore will be intertwined,"

Tay said.

Below are some edited excerpts from the interview with Michael Tay:

Q: Do you think Medvedev should take cue from Prime Minister Lee, as Yurgens suggested?

A: Yurgens is a thoughtful and practical man, a thinker with a profound grasp of the historical forces that still shape Russia today. The reality is that Singapore took over 30 years to reach its current status in the world, and it is a much smaller place. Our miracle is that we had no fallback option, no resources to depend on and no ability to survive if we failed.

Q: Why is Russia important to Singapore?

A: We are a small country with strong economy. We have a very big presence in China, investments in India. Russia is the next big economy we have to engage.

Q: What are Singapore's investment priorities in Russia?

A: We are looking forward to investments in ... the food and beverage sector, in stocks, in Russian companies through London, New York — technology companies, research companies. Now we are also looking to participate in the mining, oil, gas and natural resource sectors. We are looking at the special economic zones.

Q: What future business collaboration can you see between the two countries?

A: We are looking at the Skolkovo School of Management, creating a center for emerging markets — connecting the emerging markets of the former Soviet Union. Uzbekistan, Kazakhstan — those are places nobody understands even slightly. Anything can happen.

Q: How can Singapore help Russia?

A: Singapore is small, but it is a fantastic hub. Russia is now only beginning to get connected to the world. Singapore is like a short cut — we have a lot of connections. Take advantage of our connectivity to the rest of the world, access to Asia.

[The Russian-Singapore Business Forum] is bringing a lot of Asian entrepreneurs together with businessmen from Russia and the CIS.

Q: What advice can you offer to Russian entrepreneurs interested in doing business in Singapore?

A: They need to visit, see how we operate. It is very easy to have a business in Singapore. The registration process is online. Just come, meet the right people. Do things through us.

Q: How are the business cultures of Russia and Singapore alike?

A: In business the element of trust in both countries is important. Businessmen tend to be cautious about people they can trust. They build a relationship before doing business.

Q: How are they different?

A: We do everything over e-mail. Russians value face-to-face meetings. It's very different. In Russia, [personal] encounters are important, but here we are totally dependent on e-mails.

Q: What can Russians learn from Singapore?

A: Russia is huge. Grow your regions and cities. Grow the Far East — cities like Tomsk, Kazan. Grow centralized control, transportation. Create investment incentives.

Q: What can Singaporeans learn from Russians?

A: We are a small country that needs big ideas. Singaporean people could learn from Russia the sense of thinking big. Big ideas. Russia will succeed in the future because people are ambitious and want to do great things, move forward.

Q: What do you miss about living in Moscow?

A: I miss the feeling of culture. Any night of the week I could go to a concert, theater, some underground jazz bar.

Russians have a fantastic sense of style. The discotheques, restaurants, cafes, quality of food, drinks, decorations. Somehow the sense of style was never lost despite years of communism.

Q: What do you miss least?

Moscow traffic.

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