

## **OPINION Daniel Tschudy: Singapore - Quo Vadis?**

28/01/2011 by Daniel Tschudy

### **Despite its heavy investment, meetings consultant Daniel Tschudy believes The Lion City will struggle to live up its dreams**

It is with substantial growth objectives and lots of energies from all parties involved, that Singapore wants to create itself a golden future. It reminds me a little of China, which in fact soon will become Singapore's largest tourism market and eventually also the largest MICE market. The Lion City at the most southern edge of the Malaysian Peninsula hopes to increase its arrivals by 2015 from around 11 million at present to 17 million. Within the same four-year period, the government aims to increase the present population of 5.1 million by a staggering 25% to 6.5 million.

These are huge developments and it can be understood why in the past year alone, half a dozen hotels opened with almost 5,000 new rooms. Or why a brand new event hall with 8,000 sqm opened at the Marina Bay Sands resorts and a new convention hall was created for 7,300 delegates at the World Resort on Sentosa Island. In addition to these more MICE-oriented offerings, a new breed of mostly US entertainment parks arrived in Singapore: Universal Studios; WaterWorld; Hollywood Theatre; Hard Rock Hotel and so forth. All of which are suitable for the hearts and wallets of mass tourists. And the 2,500-room MBS, as locals call the new landmark Marina Bay Sands, not only appears in typical 'Vegas-fashion', but in fact is financed by MBS Las Vegas. Two new casinos opened early 2010, Formula 1 features a fabulous night-race, and many other mass tourism- (and global TV-) oriented venues and services complete the new-look Singapore.



*Future gazing: the view from the 57th floor swimming pool at the Marina Bay Sands, Singapore (Photo by Daniel Tschudy)*

Singapore also continues to produce quality value for both visitors and inhabitants: there will be a new Garden by the Bay recreation area, the East Coast Parkway has become a 20km-stretch for free camping and family entertainment. Most of the 62 other small Islands around the capital are still protected against 'investment mania', the National Museum was renovated and a new Performing Arts Theatre was built. And what is extremely positive, of course, is that Singapore offers work and employment. Manufacturing is producing half of its GDP, and the city-state is strong in bio-medicine, oil and gas, high-tech and water technology. Unemployment currently stands at 3.4%; however, the locals believe that there is enough work even for those presently unemployed.

## Singapore wants to become a Global Player

The Lion City now wants both quality and quantity. An urban city with great lifestyle values and yet a place designed for maximum growth and profit. It houses everything from exquisite resorts for the rich and famous to mass destinations for Asia's stirring superpowers, India and China. Selected high-end tourism on one side, Disneyland and McDonalds on the other.

Singapore wants it all. Yet this is an approach that seldom works out. Not to the benefit of those high-end individual travellers who will eventually want to avoid the masses, and likely not to the benefit of incoming MICE business. Singapore is getting ready for these new markets arriving on flights from within less than 6 hours, but its major competition lies just next door in the shape of Shanghai, Kuala Lumpur, Seoul and Hong Kong – all of which are battling for the Indian and Chinese markets. On the Inbound target lists the US and Europe are no longer on the top; now Singapore pushes their neighbours. But for the masses, Singapore will have to grow very fast and that will become extremely difficult. Speaking about Singapore's prime challenges by 2020, the UN Population Fund highlights the following substantial challenges:

- Lack of available land mass for development (producing more high-rise buildings)
- Fast growth with more hardship for the losers of this competition (potentially resulting in unemployment, social unrest and crime)
- Pollution and waste distribution
- Safety and security (new technologies create more restrictions for residents)

## Macau or Vegas?

Singapore wants to break away from its image of being that lovely Singapore Airline stop-over hub of the past; and it never really wanted to be a 'secret' little destination such as the Frégate Island or a more popular but limited-in-space resort such as Monte Carlo. And Singapore hates to be compared with Macau or Las Vegas and claims that its service levels are far higher. Singapore wants to be special. That will be very hard to achieve, if not impossible, and one price might be to lose its uniqueness. And that could well mean a loss of identity as well. Every marketing school teaches that one can't be all things to all clients. The more Singapore offers Formula 1, South African Wine and Sushi from Osaka, the more the Lion State will become equal to other global players and thus replaceable. Great for those who live there, but nothing special for the global high-end markets.

Identifying the right balance between quality and quantity will be the true challenge for Singapore.



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