

COMMENTARY

No shortage of candidates to be Singapore's next finance minister

It is likely that Lawrence Wong will double-hat as prime minister and finance minister for a while. BY EUGENE K B TAN

DEPUTY Prime Minister Lawrence Wong will soon announce his new Cabinet, a few days before he is sworn in as Singapore's fourth prime minister on May 15.

Last month, he indicated that there would not be many changes in the Cabinet. Except for "marginal adjustments here and there", the current ministers will remain in their current portfolios. Significant changes to the line-up will happen only after the next general election, which must be held by November 2025.

It would not be surprising if Wong, as prime minister, initially double-hats as finance minister, a post he has held since May 2021.

There is a precedent. Prime Minister Lee Hsien Loong double-hatted as finance minister after he assumed the premiership in August 2004. He relinquished the finance role to Tharman Shanmugaratnam in November 2007, who, as the second finance minister, had delivered the Budget statement in February 2007.

Why Wong is likely to continue

Why would Wong double-hat initially? The prime minister's job is demanding as it is.

As head of government, the prime minister is ultimately responsible for the direction and control of the government, including its policies and decisions. He is assisted by his Cabinet colleagues, and the Constitution prescribes that they shall be collectively responsible to Parliament.

The finance minister is a powerful figure in the system of government. He is responsible for raising public revenue through taxation and/or borrowing, and also disciplines public spending. He can initiate significant structural reforms to deal with inflation and interest rates, as well as strengthen fiscal and monetary policies to keep the economy on an even keel.

The subjects under the jurisdiction of the Ministry of Finance (MOF) include governance of the public sector and fiscal policy (for example, the Budget, government procurement policy and public sector headcount), government financial management and accountability, the country's financial assets such as government investments and loans, and taxation and revenue policies.

Currently, Wong is also responsible for international financial cooperation, the Monetary Authority of Singapore (MAS), monetary policy, the financial services sector, and the securities industry.

Put simply, with oversight of fiscal and monetary policies and given the office's ability to move markets, any finance minister must confidently project Singapore's fiscal discipline, demonstrate astute monetary policy management, and exhibit a dynamic yet assuring stewardship of the economy.

As the new prime minister, Wong may seek to capitalise on the Budget platform – perhaps the most important speech after the National Day Rally – to engage and win over Singaporeans on the whys and hows of public spending, and why they matter politically.

Moreover, with the Forward Singapore (FSG) initiative receiving its first significant tranche of funding in Budget 2024, Wong would be keen to personally oversee the FSG's public funding and the details relating to the policy implementation.

A key plank of Wong's fourth-generation (4G) leadership, the FSG aims to mobilise a whole-of-society effort to revitalise Singapore's social compact. Wong revealed in his Budget statement in February that the FSG will be funded to the tune of S\$40 billion by the end of the decade.

Beyond the financial alloca-

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tions, the FSG must unleash behavioural changes to redefine success and strengthen social cohesion.

Who will succeed Wong?

In time, perhaps midway through the next parliamentary term, the question of who will be Wong's successor at MOF will be raised. And why does this matter?

The finance portfolio is often seen as where future prime ministers gain their political spurs. Two finance ministers have gone on to become elected presidents. Before becoming premiers, PM Lee and Wong also served as finance minister, with nine years at MOF between them.

Besides Wong and PM Lee, seven heavyweight politicians have held the finance portfolio since 1959 when Singapore became self-governing: Goh Keng Swee, Lim Kim San, Hon Sui Sen, Tony Tan, Richard Hu, Tharman Shanmugaratnam and Heng Swee Keat.

They have ensured Singapore's macroeconomic success and enhanced the government's legitimacy through their sound judgment, adroit management, far-reaching vision, adherence to policy fundamentals, and ability to handle crises.

As Wong's 4G leadership team takes over the reins of government, the demands on the public coffers are growing with an ageing population and smaller families.

Considering the perpetual quest for sustainable sources of revenue – a bulwark of fiscal prudence – the finance minister appointment is critical and closely watched.

There are a variety of potential successors. Frontrunners include Education Minister Chan Chun Sing, National Development Minister Desmond Lee, and Health Minister Ong Ye Kung. They are prominent among the 4G leadership, have demonstrated mastery of their ministerial briefs, and are recognised as "steady hands".

The finance portfolio will add significantly to their expertise and experience.

Currently, as an indicator of its weighty responsibilities, MOF is the only ministry with two second ministers – Indraneel Rajah and Chee Hong Tat. Might one of them succeed Wong?

Indraneel has been second finance minister since May 2018. Chee, also the transport minister, has been at MOF since June 2022 – first as senior minister of state before becoming second minister in January this year. He was also recently appointed to the board of MAS for a three-year term, from June 2024 to May 2027.

If Wong decides to appoint a woman finance minister for the first time, other than Indraneel, Grace Fu and Josephine Teo – the two most senior female ministers – could be tapped.

Should the need arise for someone to hit the ground running, Heng Swee Keat, who oversaw the vital Covid-19 Budgets in 2020 and 2021, could be deployed for a second stint at MOF.

It's worth noting that Goh Keng Swee also served two stints at MOF – as Singapore's first finance minister from 1959 to 1965, and from 1967 to 1970. These were during critical junctures in the fledgling nation's history – self-government, followed by independence, and the British military withdrawal from Singapore.

Regardless, the ministers mentioned above have in their previous and current portfolios demonstrated their policy nous with a keen sense of the issues and priorities, a fine eye for detail, and a good grasp of what is needed to prepare for the future.

'Outsider' as finance honcho

It is clear there is no shortage of options within the current Cabinet for the finance hot seat. It will boil down to who is the best overall fit, given that every minister can be deployed in more than one ministry.

As with every general election, the ruling party will field new candidates, including those with the calibre to hold political office.

Wong noted on Apr 16 that depending on the outcome of the general election, "there will be an opportunity... to renew and streng-

then the team with new members". To "form the best possible team to serve Singapore and Singaporeans" will be one of his key priorities.

Hence, the following possibility cannot be excluded: A very accomplished candidate from the private or public sector who gets elected at the next polls, and is then tasked to helm MOF right away.

Again, there is a precedent. The late Richard Hu was chairman and chief executive of the Royal Dutch Shell group of companies in Singapore before he entered politics.

He was made finance minister shortly after the 1984 general election and went on to become Singapore's longest-serving finance minister, leading MOF for more than 16 years (1985 to 2001).

The markets watch Cabinet appointments, especially when it comes to the person leading MOF, with keen interest.

These appointments must therefore inspire confidence that there will be policy continuity as well as the courage to make bold or unpopular decisions. There must be trust that prudent yet adroit macroeconomic governance and openness to novel policies prevail, so that Singapore continues to be exceptional.

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