

Are fewer MPs holding company directorships now?

By Cheow Xin Yi, TODAY | Posted: 08 June 2011 0713 hrs



Sitoh Yih Pin

SINGAPORE: It appears that fewer Members of Parliament are holding company directorships now compared to in the past.

Email queries to 52 backbenchers, including the six elected Opposition MPs, found that 16 hold such positions.

In 2005, 26 were directors in public listed companies alone, a survey by The Business Times had found.

Latest records on the Singapore Exchange's web portal and the Bloomberg's database show that only five elected MPs now are directors in listed companies.

MediaCorp's survey comes after Prime Minister Lee Hsien Loong issued his rules of prudence letter two weeks ago to new and existing People's Action Party MPs. In it, he had advised them to conduct such business activities creditably.

And while 19 MPs did not reply or declined comment for this story, those who did shared the kind of consideration that has gone into their decisions on directorships.

For half of them, these are roles they assume simply by virtue of where they work. Joo Chiat MP Charles Chong, for instance, is a director in two joint ventures under his employer SIA Engineering, while Jurong Group Representation Constituency MP David Ong is the business owner and managing director of RedDot Publishing.

Meanwhile, more than half of those with no directorships are first-term PAP MPs.

Several new MPs, including lawyer Edwin Tong and unionist Zainal Sapari, said their current priority is their constituents, although they might make exceptions for directorships on non-profit organisations.

West Coast GRC MP Foo Mee Har, who heads Standard Chartered Bank's priority and international banking, told MediaCorp she made a "personal decision" to step down from a board position before the polls to dedicate her time to understanding her constituency and grassroots organisations.

For her GRC colleague Arthur Fong, corporate considerations came into play: The Credit Suisse banker and three-term MP, who has held no directorship for the past 10 years, said he made the choice as companies may potentially have investment banking relationships with his employer.

Offering a different view, though, was Pasir-Ris Punggol GRC MP Gan Thiam Poh, whose employer DBS Bank had to approve his directorship at public-listed Ouhua Energy Holdings even before he entered politics.

While he said his foremost priority is his constituency, Mr Gan said he was open to directorships that would offer him the exposure and skills to help him "effectively serve the residents".

But the days when some backbenchers held numerous listed directorships seem to be over.

At the moment, Potong Pasir MP Sitoh Yih Pin holds the highest number, six, followed by Ang Mo Kio GRC MP Yeo Guat Kwang with five and Marine Parade GRC MP Seah Kian Peng with two.

In the past, former PAP MPs such as Messrs Wang Kai Yuen and Ong Kian Min held as many as 11 directorships in listed companies during their political tenure.

To corporate governance observer Mak Yuen Teen, who has spoken publicly against excessive listed directorships by MPs, it seems that "PM's words are filtering through".

The National University of Singapore Business School associate professor noted that MPs who held several listed directorships have retired in the last two elections: "I hope it was (part of PM's consideration for renewal)."

But Singapore Management University associate professor of finance Annie Koh offered another reason for the smaller scale of directorships now: The youth and non-exposure of newer MPs, many of whom were also from the public sector and labour movement.

"You can't be invited to any board if you haven't had a level of experience in order to advise companies accordingly ... If you're young, the likelihood of you being asked to be a director is less high," said Assoc Prof Koh, who is also SMU's dean of executive and professional education.

Still, given some companies' "misconceived notion" that having MPs on board "can open doors", she expects offers to come in for the new MPs over time.

"But everyone is under watch these days with the power of media and social media ... People are even more conscious (especially) if there's a chance that anything might lead to a misinterpretation," she said. - TODAY