

Divesting State Owned Enterprises

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Since its independence in 1965, state owned enterprises (SOEs) more commonly called government linked companies (GLCs) in Singapore have been used to develop the economy. The government had established GLCs to develop the Singapore economy because primarily there was a lack of entrepreneurial talent and lack of financial investment resources in the private sector to develop key economic sectors. One of the GLCs established was International Trading Company (Intraco). Intraco's key role was to connect the economy with the international market especially the Socialist economies during the Cold War. Intraco was modeled after the General Trading Companies called Sogo Shosha (or Shoshas for short) in Japan. However, Intraco was never able to fulfill its potential and the government completely divested all its shares in Intraco in 2003. This paper examines the "failure" of Intraco to fulfill its potential to "blaze a trail" in the international economy. Why was Intraco unable to fulfill its potential?

1. Introduction

Singapore as a late industrializing nation, created state owned enterprises (SOEs) more commonly known as government linked companies (GLCs) and statutory boards to spearhead development in various sectors of its economy, in order to "jump-start" economic growth. This strategy was to compensate for the shortage of funds or expertise in the private sector to expand the economy (Ramirez and Tan, 2004, 512). Although the state has assumed a proactive entrepreneurial role by establishing the GLCs but they operate entirely as profit driven commercial entities. Most of the GLCs were established in the late 1960s and 1970s during the initial phase of Singapore's economic development (Yahya, 2005, 4). Unlike other GLCs in newly independent colonial states at the time which were either nationalized or established with political objectives, the Singapore GLCs were expected to provide commercial returns in line with the risks taken. However, the GLCs were subjected to the same regulations and market forces as private entrepreneurs and did not receive subsidies or preferential treatment from the government. As an emerging developing economy in the late 1960s, Singapore had encountered various problems such as difficulty in penetrating overseas markets and created GLCs such as International Trading Company (Intraco) to facilitate its trade linkages abroad. Intraco was incorporated on 5 November 1968 with an authorised capital of SGD \$ 50 million and was jointly owned by the Singapore government, Development Bank of Singapore (DBS) and other private entities. Subsequently, Intraco became Singapore's leading state trading enterprise (STE).

The government owned a 30 per cent share in Intraco and the company was initially staffed by a nucleus of civil servants and private sector executives assuming the roles of marketing personnel and product specialists. The product specialists were meant to liaise with local manufacturers to provide technical expertise, bulk buying of raw materials and to help market their products overseas to potential buyers (Singapore

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Facts and Figures, 1971). The aim of this paper is to examine the role and contributions of Intraco as a GLC towards Singapore's economic development and nation building. Established during the height of the Cold War, Intraco was Singapore's main economic vehicle in trading with the Socialist bloc economies including China. The late Dr. Goh Keng Swee, one of the architects of Singapore's economic development had established Intraco but he acknowledged the difficulties the company would encounter and said;

"Intraco has to blaze its own trail not in Singapore but in the outside world. It has to meet fierce international competition from all quarters in promoting the export of Singapore's goods. This is not a task that can be accomplished over-night and the directors of INTRACO have wisely decided upon a phased programme" (Parliamentary Debates Report, Singapore, 1969).

2. Statement of Problem

In the 1960s, several former colonies received their independence and Singapore was one of them. As a fledgling economy during the height of the Cold War, the Singapore government had to resort to state led development including establishing state owned enterprises or government linked companies (GLCs) to expand economic growth. Intraco played a key role in connecting Singapore to the socialist economies in which it had no diplomatic relations. The Singapore government utilised a CESS tax system for companies trading with socialist economies. Local companies proposing to trade with socialist economies like China had to submit information and pay a CESS tax of about 1 percent of total value of goods traded. Intraco was given the role to manage and collect the CESS tax for the government. This earned Intraco deep resentment from the local companies trading with China and other socialist economies. The Cold War subsided towards the end of the 1980s and most former centrally planned economies began to adopt free market reforms and economic liberalization in order to boost economic development. Coupled with increasing economic integration brought by globalization, more transborder business transactions have spurred the increase of transnational corporations (TNCs) (Sundaram, May 2002, 21). This trend had diminished the role of STEs such as Intraco. However, it could also be argued that the Japanese trading houses, the Sogo Shoshas were also affected by the Cold War and evolving global economic conditions but continued to thrive and reinvent themselves into large corporations. What were the underlying reasons for Intraco's failure to develop its potential? Did Intraco outlive its usefulness or could it have developed into a Singapore type Sogo Shosha?

Following the Shosha model, Intraco had also undertaken other activities such as third country trading, warehousing, transportation, marine insurance, advertising and business promotion by participating in international trade fairs and exhibitions. Intraco investments in banks and insurance corporations were moves towards creating an internal funding arm for the company's future expansion. This business strategy made Intraco appear unwieldy and without focus. Possible reasons behind the collapse of Intraco were several and this paper attempts to examine them. The reasons ranged from Intraco's inability to develop its overseas businesses, loss of senior executives but

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more importantly, its inability to reinvent itself to accommodate the changing global scenario with the demise of the Cold War and economic liberalization of former socialist countries. Critics have argued that Intraco as a state guided entrepreneurship entity had employed state bureaucrats who were lacking in relevant knowledge and expertise to become traders or marketers and to manage Intraco's diversified portfolio (Shome, Massey University, 3). Analysts also pointed to several fraudulent incidents such as the plywood scam at Intraco resulting in a loss of \$ 6.62 million as examples of the lack of product knowledge and expertise within the company (Straits Times, 5 May 1988). Subsequently, Intraco had to review its overseeing role and strengthened its management procedures.

3. Literature Review

Tanyi (1997, 3) argued that the principle vehicle for state capitalism is the national investment company which is organized in the form of a wholly state owned holding company. In Singapore's case significant stakes of its GLCs are under the purview of Temasek Holdings which was formed in 1974 and is the focal point to manage the government's investments in companies for the long-term (Temasek Charter, 2002). These GLCs are also termed as Temasek Linked Companies (TLCs) where Temasek owns at least 20 percent of the company's total shares. According to the CEO of Temasek, Ho Ching, the holding company is the monitoring arm of the Minister for Finance and they are responsible for tracking the performance of various investments and companies, as well as reviewing and appointing directors and chairmen of various companies to represent the government's interests as a shareholder. Temasek usually appointed two directors (in a board of about 9 members) to its respective GLCs by the government's Directorship and Consultancy Appointments Council (DCAC) (Temasek Holdings, 25 August 2009) but by the mid-1990s, the CDAC had relinquished this function. The main role of Temasek was to interpose as an investment holding company between the government and its investee companies which separated the role of the government as owner and shareholder (Ho Ching, 12 February 2004).

In a changing global economy, the privatization process of Singapore's GLCs which started in the mid 1980s was meant to keep Singapore abreast of changes in the international economy such as greater economic integration through free trade agreements. In 1985, Singapore's Minister for Finance Dr. Richard Hu commented that the government will divest its shares in companies where it does not have a majority stake and where it is not essential for the government to have effective control. Following a review by the Finance Ministry, Minister Hu said,

"Policies that were correct when we were in the early stages of development are no longer appropriate now that we are on the verge of becoming a newly industrialised society. In the 1980s the engine of economic development should be the private sector and not the government. The private sector must be encouraged to set the pace in leading Singapore to a new economic era" (Thynne, 1987).

On 2 February 1986, the Singapore government announced the formation of the Public Sector Divestment Committee (PSDC) which was established to decide on which

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companies to privatise and to what degree of ownership should government involvement be reduced individually and a schedule for implementing the divestment process (Sikorski, June 1989, 83). Dinavo (1995) said that privatization of GLCs was important to stimulate efficiency by enhancing quality and improving performance. Ong (2009) argued that between a short space of time between the late 1990s and 2003, three significant phases influenced the development of Singapore's GLCs. The first phase towards the end of the 1990s concerned the formulation and introduction of liberalization policies. The second factor was a report produced by the government appointed Economic Review Committee which made key recommendations such as the divestment of GLCs and the creation of a Competition Law (Economic Review Committee, 30 May 2002). Thirdly, the bilateral Free Trade Agreements (FTAs) which Singapore began to initiate with its main trading partners during that time period.

The creation of an STE is normally used to handle the domestic procurement and to plan import needs perceived as essential to the achievement policies such as ensuring abundant low-cost food supplies and stable farm prices. Some of the key roles played by STEs are the following; they play a pivotal role in securing raw materials for local manufacturers at low prices such as the role of Japanese Sogo Shoshas (Shoshas for short) or General Trading Companies (GTCs). The Soga Shosa not only trade but are also involved in manufacturing intermediate goods and higher value products. The Shosas together with their networks aimed at gathering information and building ties with local communities and businesses that gave these companies valuable insights into new trading opportunities (Choy, 9 August 1996). The GTCs are unique in terms of their large scale, immense operation scope, extensive network of international operations and involvement in a diversity of activities and commodities (Zimin, 2006, 244). The five leading trading companies in Japan that can be called Shoshas are Mitsubishi Corp., Mitsui & Co. Ltd, Sumitomo Corp, Itochu Corp, and Marubeni Corp.

4. Methodology

The primary data for the book comes from speeches by the government about the formation and role of GLCs, annual company reports of Intraco and newsletters. Unfortunately, other primary documents such as letters, memorandums and internal company notes were destroyed in 2005 when the lease of its main warehouse where these documents were stored had expired. More than 25 in depth and unstructured interviews with former employees of Intraco were undertaken to understand the company's work culture and its role and linkages to the government. Apart from the primary data, secondary data from newspaper articles and financial reports by consulting firms were also collected.

5. Singapore's Sogo Shosha?

The Japanese Sogo Shoshas on which Intraco was modeled had prospered and developed over the years. While the GLCs in Singapore were given independence in operational matters, they were also expected to repay the government's trust by developing a proven and successful track record (Anwar and Sam, 1 June 2006, 54). The government also started to divest its stake in Intraco when it was classified as a

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non-core GLC by the PSDC. The divestment of INTRACO would also deflect charges of favouritism for GLCs at the expense of private sector enterprises (Tan, 1 September 2004). While GLCs are privately run enterprises, the main advantage seems to be the positive signals it sends to the market. Being linked to the government is useful because it provides credibility and investors unlikely to think it is a “fly-by-night” operation (Ramirez and Tan, 2004, 513). Anthony Shome (June 2009, 330) labeled this as political underwriting when the GLC is given assumed strength and reputation. A key negative aspect of a GLC is that they were at times accused of acting like “big bullies” in Singapore’s domestic economy.

Local businessmen alleged that GLCs have strong political connection and this gave them the guidance that they may either deliberately or unconsciously receive from the bureaucracy. In the early 1990s, about 11 Members of Parliament (MPs) out of 81 elected MPs were appointed to the board of GLC companies listed on the Stock Exchange of Singapore (Straits Times, 26 September 1994). One of the MPs, Dr. Tan Cheng Bock who was appointed to the Board of Directors of marine Group Chuan Hup Holdings commented on the flow of talent from the public to the private sector; “We should see Singapore as one big organization ready to take on the world” (Straits Times, 26 September 1994). However, the private corporate sector is not keen on the idea of the government acting as entrepreneurs and these GLCs could unintentionally stifle entrepreneurship in Singapore (Anwar and Sam, 2006, 71). Intraco was supposed to develop its businesses overseas but it was alleged to have muscled in on several local business sectors. Mark Granovetter (1973 and 2005) had argued that social networks affected economic outcomes. In this context, Intraco’s involvement in domestic private sector had created much resentment among established companies. Ironically, these companies and Intraco could have collaborated to venture overseas together with their respective information and networks (Granovetter, May 1973).

Intraco’s Board of Directors had showed its displeasure over the company’s poor performance results which some analysts had said was due largely to the economic recession than management ineptitude (Straits Times, 14 December 1985). The Intraco board’s displeasure is at the heart of a long drawn out debate between the management and directors (Straits Times, 14 December 1985). The recession of the mid-1980s was a turning point in Singapore and caused more economic hardship (Sabhlok, October 2001). A rise in protectionism in several countries, decline in demand for raw materials and a fall in commodity prices had adversely impacted on trading companies like Intraco. However, Intraco’s problem also appeared to be internal because it does not have a well-defined corporate image and its aggressiveness in the local market has led to legal entanglements with local companies (Straits Times, 26 August 1986). Intraco’s original brief was to develop Singapore’s markets overseas and not encroach on the domestic economy.

Then Singapore Minister for Finance Dr. Tony Tan made the first official announcement in March 1985 about the government’s Privatization Policy. Intraco’s public listing in 1972 was in line with the government’s approach towards privatization. Arguably, within Intraco, the public listing was meant to accumulate funds for its business expansion. The Divestment Committee had recommended a policy of controlled dynamism under

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which the GLCs are charged with the responsibility of getting ready for privatization as soon as possible and choosing the timing that is most advantageous to themselves. If Temasek had deemed Intraco as a non-core GLC, it could have divested its shares completely in the company when United Industrial Corporation (UIC) made a takeover bid for Intraco in 1986 (Sikorski, June 1989, 80). The Divestment Committee report stated that;

“Divestments should not be rushed at the expense of value that maybe realised. Thus, shares will not be disposed of unless the selling authority or the Minister for Finance is satisfied with the price” (Public Divestment Committee, 21 February 1987).

The exodus of senior management talent to join rival trading companies such as Haw Par Trading and Ambassador Holding Limited increased the uncertainty over the future of Intraco (Straits Times, 26 August 1986). When Chandra Das left Intraco, Charlie Phua was appointed as acting managing director while a search was made for a new MD. Charlie Phua was not offered the top management post permanently and subsequently resigned which meant that Intraco had lost all its pioneering management team. Reportedly, a source at Intraco said that the company lost its insulating layer when its general manager, Charlie Phua also left the group and added, “some of them we should never have lost” and this added to the confusion as to which economic sectors should Intraco be focusing on (Straits Times, 3 September 1986).

United International Company (UIC) had sought to acquire Temasek’s stake in Intraco (26.7%) in late 1985 (Business Times, 4 June 1986). Through being the second largest shareholder with 17.8 percent in Intraco, UIC requested for a seat on the board of directors at Intraco. Subsequently, the chairman of UIC had Dennis Lee Kim Yew (brother of then Prime Minister Lee Kuan Yew) was appointed to the board of directors at Intraco (Business and Straits Times, 7 January 1986). This gave rise to speculation that UIC had sensed that Intraco was vulnerable after the resignation of its managing director Chandra Das and other senior management, (Straits Times, 14 December 1985). Part of this vulnerability according to observers was that Intraco did not have a well defined corporate image. The company had extended itself in to a variety of activities from selling condoms to cement. Intraco’s aggressiveness has led to several legal entanglements and has been the target of complaints by companies in the private sector. These companies had protested that Intraco posed unfair competition for their businesses (Straits Times, 14 December 1985). Then outgoing Intraco managing director Chandra Das had said that Intraco, “has been a convenient whipping boy”, and there was no truth to the allegations that Intraco had adversely impacted on small Singapore traders and entrepreneurs (Business Times, 11 January 1986).

When the UIC takeover bid for Intraco came in, Intraco appointed merchant bank Wardley Limited as its adviser, while Morgan Greenfell (Asia) represented UIC and Baring Brothers (Asia) advised Temasek Holdings (Business Times, 4 June 1986). The UIC bid valued Intraco at \$ 127.5 million (Business Times, 4 June 1986). At the time UIC owned 13.4 million Intraco shares or 17.9 percent of its capital and made an offer to acquire a further 61.59 million Intraco shares it did not won on the basis of a none-for-one share swap (Business Times, 31 May 1986). However, the proposed takeover of

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Intraco by UIC did not fall through for the following reasons. The UIC bid came in the midst of a bull market run and the bid of \$ 1.70 per share was not enough as Intraco share values hit a peak of \$ 2.22 in 1986 which was partly fuelled by the takeover bid itself (Business Times, 6 June 1986). Furthermore, UIC did not provide evidence that it has the management expertise to manage Intraco's widely diversified assets (Business Times, 30 June 1986). INTRACO's associated companies helped to shore up the interim performance of the GLC. For example, Intraco's 20 percent interest in the publicly-listed Insurance Corporation of Singapore (ICS) saw it receive \$ 890, 600 as profits (Business Times, 27 August 1986). ICS was 52 percent owned by DBS Bank which also owns a 16 percent interest in Intraco. Temasek Holdings assured INTRACO that it would not divest its 26.7 per cent stake in the company and this boosted the confidence of the company's management team as it restructured the group's trading operations (Straits Times, 27 August 1986). Then Temasek's deputy chairman, P.Y. Hwang with reference to speculation on Intraco said that, "Temasek is not actively seeking a buyer" (Straits Times, 30 April 1988).

In 1986, Intraco posted lower group turnover profits of \$177.27 million, a decrease from \$215.51 million in 1985 (Business Times, 27 August 1986). Then newly appointed Intraco CEO, Chin Teck Huat said that the appointments of the two senior personnel from DBS were part of an on-going drive by the company to streamline and restructure its operations (Straits Times, 28 September 1987). Chin Teck Huat faced the challenges of corporate growth and management. He had to mould a mixed team of older senior executives and more junior executives to rebuild Intraco and prepare the recruitment process to replace the senior managers was problematic because there was a scarcity of marketers and traders. An observer commented that Intraco was recruiting new staff to fill the void created "indirectly" (Straits Times, 26 August 1986).

DBS owned a significant minority stake in Intraco had seconded two senior executives to shore up the management team at Intraco. The two DBS senior executives were Chow Kok Kee from DBS Bank and Ms Lim Joke Mui from DBS Land (Straits Times, 28 September 1987). Chow Kok Kee assumed the role of Intraco's corporate planner and commented that "one of my duties will be to identify new businesses and targets" and also help in the upgrading of the company's management information systems (Straits Times, 23 September 1986). Lim Joke Mui assumed the financial controller and company secretary position at Intraco (Straits Times, 23 September 1986). Directors of Intraco also recommended that share holders reject the offer from UIC (Business Times, 10 July 1986). In spite of difficult trading conditions, INTRACO managed to post a 14.2 percent rise in group turnover to \$433.27 million from \$379.43 million in 1984 (Business Times 30 April 1986). However, Intraco made a four-fold increase in provisions for doubtful debts to \$7 million from \$ 1.4 million which resulted in a trading loss for the group at end of 1985 (Business Times, 28 May 1986). Nonetheless, having made record provisions for bad debts, Intraco was well placed to benefit from a recovery in the economy. Table 1 below shows Intraco's financial profile from 1982 to 1986. Intraco's profit fell to a record low of \$ 421000 after tax in 1985 from \$1.9 million in 1984. In 1982 and 1983 Intraco's profits had also declined and coincided with the slowdown in the global economy. There was a rebound of \$ 6.8 million in 1986 with the

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improvement in the global economy. Therefore, Intraco's profits were closely tied to the outlook in the global economy.

Table 1: Five Year Financial Profile of the Group 1982-1986 (000)

	1986	1985	1984	1983	1982
Turnover	358706	433274	379428	262060	249083
Profit before tax	11166	2786	4402	7066	11284
Profit after tax	6890	421	1964	3778	6725
Net current assets	56816	57203	57373	80241	53715
Investments	52234	64733	69114	50859	34308
Expenditure carried forward	31	160	41	80	38
Fixed assets	50785	51681	52351	27578	1473
Minority Interests	2470	4182	4810	3634	3654
Share capital	75000	75000	75000	75000	40000
Reserves	82580	79264	81724	86168	58945
Shareholders' equity	157580	154264	156724	161168	98945
Per Share					
Profit before tax (cents)	14.89	3.71	5.87	11.48	19.82
Profit after tax (cents)	9.19	0.56	2.62	6.14	11.81

Source: INTRACO Annual Report 1987

6. Redefining Its Role

Towards the end of the 1980s, then CEO of Intraco, S. C. Tien refocused the future direction of Intraco because the role of pure trading was increasingly more competitive. He said, "I see that pure trading, where as a middleman you add a mark-up would be more difficult in future" (Business Times, 11 January 1986). With a profit of between 1 and 5 percent, more competition willing to make less profits and a more open global economy, the writing was on the wall for companies dealing in only trading activities. Intraco's then chairman P. Y. Hwang was also aware that the company had to widen the base of its core business and improve its trading margins with more value added activities; he said; "We are acutely aware that simple trading no longer meets the needs of our customers. We must instead provide services that will attract new customers and encourage existing ones to increase their business with us", (Straits Times, 6 November 1993).

Intraco had also ventured into new areas such as car dealerships and the media industry. Its first venture into care dealerships was with the Lada car brand which failed but its next venture with the Rover brand proved successful and it was able to capture 5 per cent of the local car market (Business Times, 21 April 1994). However, two events occurred that made it difficult for Intraco to maintain its success with the niche market for Rover brand automobiles. Firstly, Rover did not sustain the production of new models to keep its customers interested. Secondly and more important, Intraco made a business error because of its promises of fixed-price Certificate of Entitlement (COEs) to legally own a car to its customers. The sudden rise of COE prices caught Intraco out because it did not purchase these COEs earlier preferring to wait for its car shipment instead. The company had to honour its agreement to its buyers or face law suits

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(Business Times, 21 April 1994). Nonetheless, Intraco persisted in this sector and was appointed the distributor of Holden cars (Straits Times, 10 September 1993). Intraco's foray into the car business did initially prove profitable with sales of its Rover cars but it dropped over time by 47 percent in 1997 and not a single Holden car being sold over the year (Tan, 19 July 1997).

Table 2: Company Profit and Loss Accounts 1999 to 2002 (000)

	2002	2001	2000	1999
Turnover	60084	54713	64523	111964
Cost of sales	54872	51518	61035	104146
Gross Profit	5212	3195	3488	7818
Other revenue	511	876	2745	3009
Distribution Costs	1609	6846	6286	6613
Administrative Costs	2482	4367	5321	3569
Finance Costs	171	50	2	85
Operating (loss/profit)	1461	7192	5376	560
Investment Income	6121	3065	2718	3787
Exceptional items	18191	39313	182	10702
Share of profits less losses of associates	-	-	2840	15049
Taxation	339	-	4521	1287
Minority interests, net of taxes	-	-	1681	-
Loss/profit attributable to Intraco members	10948	43440	1681	13762
Earnings per share (cents)		46.48		

Source: INTRACO Annual Reports 2000 to 2002

Intraco also acquired a 34.3 percent stake in a local telecommunications company, Teledata Pte Ltd. An Intraco statement said, "The acquisition represents a strategic long-term investment for Intraco in the telecommunications industry" (Straits Times, 9 April 1994). Intraco had an existing electronics division and the acquisition of Teledata signifies its aim to be a significant player in the field of data and voice communications (Straits Times, 9 April 1994). By the late 1990s, GLCs like Intraco had continued with the restructuring of their non-core assets. However, one analyst noted that despite the restructurings, "many of the assets don't really go out of the family" (Business Times, 21 June 1999). For example, Keppel T&T acquires DBS Bank and NatSteel's stakes in Intraco. Keppel T&T then merged with Intraco's Teledata while divesting its logistics arm to Intraco which became the logistics arm of Keppel Corp (Business Times, 21 June 1999). By 2002, before Intraco's complete divestment by Temasek in 2003, it became clear that Temasek wanted to scale down its involvement in the local economy. The GLCs at the time accounted for 13 percent of the total worth of the Singapore economy (Business Times, 3 July 2002). Intraco was culled from the stable of GLCs because it has no strategic value (Business Times, 3 July 2002). Table 2 above shows Intraco's accounts from 1999 to 2002. INTRACO was fully divested at the end of 2003 and was bought over by PSC Corporation.

7. Conclusion

Intraco managed to operate well and was lucrative in a Cold War environment from its establishment in 1968 until the 1980s. However, after the 1980s several factors led to its decline apart from the changed international economy with the demise of the Cold War. Externally, as the global economy opened up and became more integrated the role of trading companies generally became more uncertain. Trading companies no longer enjoyed exclusive access to markets and raw materials. As Singapore expanded its diplomatic relations with socialist countries like China and Russia, the CESS tax became irrelevant. Internally, increased competition from other trading companies meant that the 1 to 3 percent profit margins that Intraco had enjoyed became uncertain. Local traders in Singapore unhappy with Intraco over the CESS tax collection and had also protested against Intraco unfairly expanding into the domestic market whereas its original mission was to expand overseas. To all intents and purposes Intraco had failed in its mission as envisioned by the government to “blaze its own trail overseas”. Deemed superfluous to the needs of the government Intraco was categorized as non-strategic asset and sold off. In the ultra competitive trading world without forwards or backwards strategic diversification, the odds were always stacked against Intraco. Intraco started brightly with some forwards diversification such as insurance and backwards diversification such as clothing manufacturing. However, the loss of its senior management especially its managing director, S Chandra Das unraveled this strategic business plan. The unraveling of its strategic focus contributed to the uncertainty surrounding Intraco for would be investors in its stocks. Its board of directors became concerned about declining profits as they were answerable to share holders that included the government. This finally led to its total divestment in 2003. When Intraco was divested, its strategic mission and business plan was not embedded into the company structure and its various subsidiaries and assets were detached and sold off separately. Intraco was totally divested by the government in 2003 and bought over by the trading corporation PSC.

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