Singapore’s Hadrami Community in Today’s Economy

Ben Simpfendorfer

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The Middle East is one of the world’s fastest growing markets. Singapore has a long history of trade with the region owing to its Hadrami community. Yet, the city has not fully capitalized on the Middle East’s more recent booming growth. Finding a role for the Hadrami community could well help to unlock the Middle East’s potential. However, the community cannot be expected to play the same role as it did in the past, as its population is too small and its economic influence too diminished. Nonetheless, trade theory suggests the Hadrami community’s historical legacy could play a role in developing Singapore’s services trade with the Middle East.

Introduction

The Middle East is enjoying a remarkable period of economic expansion and it is the Gulf economies which are leading the charge. The Gulf has benefited from historically high oil prices, sustained economic reforms, and gradual market liberalization over the past decade. As a result, the region grew at an average 7.5% between 2003 and 2007, or near to the average rate of growth in the Asian Tiger economies during the past thirty years. It slowed during the economic crisis, but is now recovering. Not surprisingly, investors have started allocating a small, but rising share, of their portfolios to the region.

Certainly, the Middle East is not without its problems. The Gulf, in particular, remains overly dependent on the

1 IMF, “World Economic Outlook Database”, October 2009
oil sector. Attempts to diversify into the non-oil sectors have been only partly successful, while governments have not coordinated their efforts resulting in the duplication of projects. Nonetheless, the rise of oil-thirsty Asian economies, in particular, China and India, suggests oil prices will remain high for at least another decade thus underpinning the Gulf’s growth prospects. Indeed, the International Energy Agency has forecasted nominal oil prices of $131 in 2020.²

Singapore stands to benefit from the Middle East’s rise. The city already enjoys strong competitive advantages as a trade intermediary and services hub. Its ports sector accounts for 6% of the world’s container trade.³ Its financial sector is one of six international financial centers, including Hong Kong and Tokyo. It is ranked the world’s most open city to trade and investment by the World Economic Forum. Its business services sector is internationally competitive. Not surprisingly, many of the Gulf’s rulers hope to emulate Singapore’s successes and are keen to draw on the city’s experience.

Yet, Singapore will face competition. Hong Kong, for instance, also stands to benefit from the Middle East’s rise. Not only are its port, financial, and business services equally competitive, but Hong Kong is better positioned to intermediate trade between China’s $4,000 billion economy and the Middle East. Hong Kong’s senior officials certainly

view the Middle East as a major growth opportunity and have made regular trips to the region in recent years. Neither is Hong Kong the only example. The rest of the region, from Korea to Malaysia, is also looking towards the Middle East.

It is thus crucial that Singapore continues to search for competitive advantages to distinguish itself from its regional competitors. Singapore’s historic relations with the Middle East, primarily through the Hadrami community, provide such an advantage. Yet, it would be wrong to romanticize the role of the community in today’s global economy. It is unlikely that the Hadrami community will reprise the same role it had a century ago, as too much has changed in the global economy. I thus propose finding a modern role for the community using a mixture of trade theory, economic analysis, and comparative analysis.

Who are the Hadramis?

The Hadramis have played a leading role in South East Asia’s economic history. The community originates from the province of Hadramawt, in south Yemen, and was long a part of the medieval Islamic commercial world stretching across the Indian Ocean. The province consists of a large arid coastal plain leading to a system of wadis, or watercourses. And its harsh climate, political instability, and access to the sea also in part drove many Hadramis to migrate abroad, especially to South East Asia.

The Hadramis have been present in Singapore since the early 1800s. Many of the early immigrants arrived from
Indonesia, rather than directly from Hadramawt. Indeed, Stamford Raffles, when founding Singapore, enticed Hadramis from neighboring Palembang to help with his endeavor.\textsuperscript{4} Ameen Ali Talib writes that the Hadrami, “already familiar with local custom, were easily accepted by the Malay”.\textsuperscript{5} The community, in particular five major merchant families, played a major part in the city’s economic development over the next hundred years.

Yet, the Hadrami community’s importance has faded in the last fifty years.

There are only an estimated 10,000 Arabs living in Singapore today, the majority of whom are Hadrami-origin, ranking among the country’s smallest communities. By contrast, according to the country’s 2005 census, there are 2,626,723 Chinese (accounting for 76% of the population), 480,722 Malays (14%), and 291,131 Indians (8%).\textsuperscript{6} The upshot is that while the Hadrami community was certainly influential in Singapore’s early development, the community’s small size does not permit it to play the same role today in supporting Singapore’s commercial relations with the Middle East.

To be sure, the Hadrami community has strong relations with Yemen. Yet, the country is not a major commercial

\textsuperscript{6} Statistics Singapore, General Household Survey, 2005
partner. Its average economic output per person was worth $2,411 in 2008, and the country ranks 134 among 181 of the world’s countries in terms of purchasing power. Singapore’s exports to Yemen were worth $470 million in 2008, less than 0.1 percent of total exports. The prospect of further conflict between the central government and Huthis in the country’s northern province of Saada further weakens opportunities.

The creation of South Yemen in 1960s and its rule by a communist government also made it difficult for Hadramis to return to Hadramawt until Yemen’s reunification in the early 1990s. This weakened family ties with relatives in Hadramawt. Whereas the community would previously send its children to be educated in Hadramawt, the loss of income from the waqafs and creation of South Yemen put an end to the practice. Ameen Ali Talib notes the weakening in ties has given rise to a young generation of Hadramis who often speak no Arabic and have lost touch with their Hadrami roots.

The Theory of Social Networks

The Hadrami community’s influence may have declined. Yet, I believe it still has a role to play through its social network.

There is a large body of academic work examining social networks. The starting assumption is that countries trade too much with themselves and too little with each other. Informal trade barriers are largely to blame, in particular the weak enforcement of international contracts and inadequate
information about trading opportunities. If not for such barriers, some academics estimate that trade between countries would be five times larger. Social networks are thus important as they can overcome informal trade barriers.

James Rauch, an economist at the University of California, is considered the leading academic in the field. His work is not without its critics. However, the criticism is mainly directed at Rauch’s econometric estimates of the percentage point effect social networks have on trade, rather than his basic conclusions. I have issues with econometric trade models, especially in emerging economies as the models cannot adequately adjust for the changing structure of trade. However, Rauch makes a number of observations important to this essay.

First, Rauch makes the observation that “networks facilitate trade across polities by building, or substituting for, trust when contract enforcement is weak or non-existent”. He uses the example of the well-observed overseas Chinese network and its habit of blacklisting a member who violates an agreement. This, he writes, is worse than being sued because the entire network will refrain from doing business with the member. This characteristic of social networks is described as “contract enforcement”.

Second, he notes that “networks can be used to transmit information about current opportunities for profitable international trade”. He uses the example of Korean wig exporters who relied on Korean immigrants in the United States to understand consumer preferences. These intermediaries, he writes, are important for their “deep
knowledge” of the capabilities and preferences of buyers and sellers, and connecting the two parties. This characteristic is described as “information dissemination”.

Third, Rauch distinguishes between “referenced” and “differentiated” goods. Oil is an example of a good with a reference price. How so? There are only a limited number of types of oil, and a buyer can be fairly confident of what they are buying without having to physically inspect the good. Moreover, reference prices for oil are freely available, such as through Platts, a provider of energy information, so a buyer can easily compare prices offered by suppliers. They only have to take into consideration shipping and customs costs.

A DVD player, by contrast, is an example of a “differentiated” good. There are hundreds of varieties of DVD players, and the quality of the same product can differ between manufacturers. A buyer will often want to inspect the physical product before buying and often buy in small volumes. DVD players are thus unsuitable for trading on an exchange. DVD players are only one example of a differentiated good. Others include furniture, clothing, and washing machines.

The important point is that differentiated trade accounts for the large share of global trade. Intuitively, this makes sense, as a country’s purchases of capital and consumer goods are typically larger than its commodity goods. Nonetheless, Roach, using United Nations data covering sixty-three countries, calculates that differentiated products accounted for sixty-seven percent of total trade in 1990. Moreover, the share had risen from fifty-six percent since
1970. My own estimates suggest their share has since risen further.

The Future of Social Networks

It is argued that social networks play a diminishing role in today’s modern economy. Improvements in contract enforcement and information dissemination, in particular, have reduced their importance. It is certainly true that informal barriers to trade are less pronounced in many countries than they were a decade ago. However, social networks still have an important role to play in today’s modern economy. Indeed, there is case to make that their importance to global trade has risen in certain instances.

First, the developing world’s share of the global economy has risen from 39% to 50%, on a purchasing-power-parity basis, between 1990 and 2009. The developing world’s contract enforcement and information dissemination has certainly improved in the past decade. Yet, it is still weaker than standards in most developed countries. For instance, the growing importance of China’s domestic market, especially since the economic crisis, means foreign companies looking to sell to China will face higher informal trade barriers.

Second, it is commonly claimed that social networks are culture-bound and thus only of importance in developing countries. Yet, there are also modern examples of social networks. The foreign branch of a Chamber of Commerce, for instance, helps members seek advice and source markets. The foreign branch of a University Alumni Association plays a similar role in helping members connect with each
other. These groups may not have the romantic appeal of the Hadrami network, but they play a similar role.

Third, outsourcing is raising the share of referenced goods in global trade. The developed world has outsourced much of its toys, textiles, furniture, and home electronics manufacturing to East Asia over the past decade and now imports those same products. Outsourcing is unlikely to be reversed in the absence of major economic shocks in East Asia. More likely, factories will move between developing countries, such as between China and Vietnam. Referenced goods will thus continue to account for a large share of global trade.

It is important nonetheless to distinguish between information dissemination and contract enforcement when arguing for the relevance of social networks. Information dissemination is the more important trade barrier than contract enforcement. The growing use of letters of credit, for instance, has made it easier to settle transactions. Improvements in the global financial system have also made it easier to settle transactions and global transactional services (GTS) are now an important source of revenue for multinational banks.

By contrast, information dissemination remains crucial owing to the greater complexity of negotiating a purchase. An American buyer, for instance, might have different expectations of price, quality, and delivery than would a Chinese buyer. A social network helps to minimize the risks. An American buyer, for example, can seek support from a Chinese-speaking American purchaser who is based in Guangzhou and is familiar with the market. The buyer can
equally seek advice from a Chinese-branch of the American Chamber of Commerce.

The internet has certainly improved information dissemination in the past decade. The Chinese B2B website, Alibaba, is a good example of how the internet can connect buyers and sellers. Yet, Alibaba also has chat rooms, focusing on specific topics, places, or products. These chat rooms are another form of social network. Indeed, their existence underscores the importance of seeking advice from peers much as Hadrami traders did a century ago.

**Singapore’s Oil and Oud Markets**

Singapore’s economy trades in both “referenced” and “differentiated” goods. Two useful contrasting examples are the city’s trade in oil and Oud.

Singapore has no domestic oil reserves, but has grown into the region’s largest oil refining and distribution centre. It was originally a kerosene distribution hub for Shell in the 1960s. But Singapore benefited especially from the slow development of refining facilities in Indonesia and Malaysia in the 1960s. The oil majors all maintain large trading operations in the city, servicing the rest of the region, with the result that Singapore’s oil exports were worth $82 billion in 2008, while its physical oil transactions are worth upwards of $500 billion.

Yet, many traders are not Singaporeans. They have relocated from foreign offices, such as London, and speak only English. Nonetheless, this does not prevent them from trading productively as they trade a “referenced” good. There
is no need for traders to meet with suppliers or physically inspect the oil. Indeed, most of the trading activities take place on a trading floor similar to the trading floor of an investment bank. Large flat-screens quote bid and offer “reference” prices, and English is spoken as a common language.

By contrast, Oud is a “differentiated” good. Oud is made from Agarwood, a dark resinous wood found in Aquilaria trees common to South East Asia. Agarwood is the result of resin produced to combat a fungal infection. The resin produces a sweet fragrance when the Agarwood is burned. The resin can also be extracted as oil. Importantly, the fragrance is particularly popular in the Gulf countries, and a host might honor his guests by greeting them at the door with some Oud burning on coals.

Singapore is a centre of the Oud trade. The wood is collected in the jungles of such countries as Malaysia and Thailand and then shipped to the city-state. A small number of Singaporean-based companies, many of Hadrami origin, buy the rough wood, then sort, shape, and polish it, before shipping the final product to buyers in the Gulf countries. It is a classic example of “differentiated” good. Oud is not traded on an exchange, but by a small number of companies, and is available in a wide variety of varying quality.

How Reliant Is Singapore’s Trade On Social Networks?

It is tempting to assume that Singapore’s reliance on social networks has weakened as its economy has developed.
The country’s oil trade is worth billions whereas the Oud trade, in spite of its longer history, is worth a few hundred million.

The economic data appear to support this claim. Oil and electronics accounted for 55% of Singapore’s domestic exports in 2009. I consider electronics, like oil, to be a “referenced” good, as a large and growing share of electronics production is accounted for by integrated circuits, or other high-value electronics, for which reference prices exist. Integrated circuits, for instance, account for 36% of domestic electronic exports. Low-value electronics production, by contrast, has largely been outsourced to mainland China.

Yet, while the type of exports argues against the importance of social networks in Singapore, the destination of exports suggests they still have a role to play. Nearly 63% of Singapore’s exports were shipped to non-China emerging markets in 2009. Moreover, the share has risen from 50% between 1999 and 2009, exposing a greater share of export demand to informal trade barriers. By contrast, only 16% of Hong Kong’s exports are shipped to non-China emerging markets.

True, Indonesia and Malaysia still account for a large share of Singapore’s exports at 21% in 2009. There are a number of explanations unrelated to social networks that inflate these shares. First, Indonesia and Malaysia are geographically close to Singapore. Second, Singapore’s ports intermediate a large share of trade between the two countries and the rest of the world. Third, Singapore is a major supplier of refined oil to the two countries.
Nonetheless, social networks still play an important role in the country’s trade relations with Indonesia and Malaysia. For instance, many of Singapore’s Chinese and Malay population still have strong social ties to Indonesia and Malaysia. Their ability to speak the local language and understand local business customs allow them to navigate around informal trade barriers, in much the same way as Hong Kong’s Chinese population has done in the mainland’s neighboring Guangdong province.

**Using China as an Example**

It is China, however, that offers the most compelling example of how social networks can be used to develop commercial relations with the Middle East. China’s trade with the Middle East has grown rapidly in the past decade. Its exports to the region reached $60 billion in 2008, overtaking the United States as the Middle East’s largest supplier. Chinese construction companies are also increasingly active in the region, winning major projects tenders in a wide range of companies from Algeria, Qatar, Saudi Arabia Yemen, and the UAE.

However, the role played by China’s Muslim population in the growth of this trade is often overlooked. It is tempting to assume that relations between the government and the country’s Muslim population are strained because of unrest in Xinjiang province. Yet the Uyghur, an ethnic group that makes up the large share of Xinjiang’s population, account for just 8 million of China’s 20 million Muslims. By contrast the Hui, accounting for 10 million, are spread
across the country, and play a more active role in China’s economy.

Take for example the western province of Ningxia, the historical home for the Hui, which is promoting itself as a centre for the production of Halal food. It may not be successful. After all, Ningxia is a 1.5-hour flight from any coastal port. There are also important differences in taste between the average Arab and Chinese households. Nonetheless, the provincial government, with the support of the central government, believes that the region’s low wage costs will work to its advantage.

Many of Ningxia’s young men also work as Arabic-speaking translators especially in the coastal city of Yiwu, a short drive from Shanghai. There are an estimated 1,000 translators working in Yiwu and thousands more across the rest of the country. They are typically employed by Arab traders buying goods in the city. Not all speak good Arabic. But many do and the translators are a reason that many Arab traders are comfortable visiting the city.

Yiwu’s municipal government has recognized the importance of making Arab traders feel comfortable and has gone a step further by building a mosque. Arab nationals have also been permitted to open restaurants in the city. The city’s officials recognize that the existence of mosques and Halal restaurants are an important reason why Muslim traders feel comfortable travelling to the city and now represent a large share of its income. Indeed, one Chinese academic expressed her surprise at seeing so much Arabic script displayed on public signage.
The same is true in the southern city of Guangzhou where mosques and Halal restaurants are common sights. Indeed, the bi-annual Canton Trade Fair, the country’s premier trade exhibition, includes a separate Halal canteen offering Muslim visitors Halal food. The exhibition also posts signs in both Arabic and Chinese advising Muslim visitors how to travel to the nearest mosque either by taxi or by public transport. It is an impressive effort that has been rewarded by strong trade relations with the Middle East.

Singapore cannot directly repeat China’s example. After all, its Arab population, numbering around 10,000 is significantly smaller than that in China. Moreover, Singapore no longer produces the type of clothing, furniture, and home electronics that are so popular in the Middle East. It might produce the component parts, but the assembly and shipment is usually carried out in China. However, Singapore could certainly learn from China’s success, and put it to use in the services sector.

**Focus On Services Rather Than Goods**

The academic work on social networks focuses mainly on trade in goods. This reflects the fact that most countries publish data on goods trade, based on customs receipts, which can be used for econometric modeling. By contrast, trade in services has received less attention. Why? Services trade is a more recent phenomenon, with most countries publishing only limited data on service trade, in spite of the fact that the services sector is a typically large contributor to growth in developed economies.
This is also true in Singapore. Data on the city’s services sector is more limited than data on the manufacturing sector. But the share of non-goods related services trade has risen from 36% to 43% of the city’s GDP in the last twenty years. Non-goods related service exports have risen from 23% to 30% of GDP during the same period. It is therefore more appropriate to focus on the Hadrami community’s potential contribution to the services trade, as this has a larger marginal impact on Singapore’s GDP growth.

Importantly, the academic work on social networks applies equally to services trade.

First, it is possible to distinguish between both “referenced” and “differentiated” services prices. For instance, a shipping fee, such as those quoted by Lloyds, a provider of shipping information, is a referenced price. By contrast, a service contract for a five-star hotel is a differentiated price and cannot be easily compared between providers. There is no easy way to estimate which of the two accounts for the larger share, but in the labor-intensive quality of services goods such prices are easily differentiated.

Second, informal trade barriers also exist for “differentiated” services. A service contract for a five-star hotel in Doha, for instance, will not be quoted on an exchange. However social networks will help in overcoming informal trade barriers. A Chamber of Commerce, for instance, might alert its members to the contract. Support for a local community organization could be used to demonstrate that the foreign bidder has empathy for local customs, especially in a relatively conservative country such as Qatar.
Of course, the small size of the Hadrami community remains an obstacle. It is not possible for the community to build social networks at a scale that would have a large marginal impact on Singapore’s economic growth. For instance, the community is not large enough, and does not have enough Arabic speakers, to play the same role as China’s Hui minority in the coastal city of Yiwu. In this, the services trade is no different to the goods trade.

However, China again offers a useful illustration on how to overcome this problem, and leverage the Hadrami community’s legacy.

In November 2009, Chinese Prime Minister, Wen Jiabao, delivered a speech at the Arab League headquarters in Cairo. In the opening paragraphs of his speech, the Prime Minister emphasized China’s historical links with the Middle East through the Silk Road. He made the point that the book, “One Thousand and One Nights” was popular among Chinese households. He then stated that China has 35,000 mosques and that it requires by law that public buildings, such as civil offices or universities, provide Halal food.

Prime Minister Wen’s speech was clearly intended to influence the way the Middle East views China. It also contrasted with President Obama’s speech six months earlier in the same city, which attempted to renew the United States strained ties with the region. It is likely that China was intentionally drawing a comparison between itself and the United States, underscoring that China was far more receptive to the Middle East’s interests and more welcoming of a strengthening in commercial relations.
Singapore might attempt the same by publicizing its own historical links to the Middle East more widely. This would largely focus on the Hadrami community’s legacy, whether it is mosques, restaurants, or historical places. Singapore could also broaden its appeal by talking in more general terms of the city-state’s “Arab legacy”. The aim would be to make Middle Eastern visitors feel welcome at a time when they might feel uncomfortable in other parts of the world, especially Europe and the United States.

The result would be improved information dissemination. As the number of Middle Eastern visitors rose, social networks between Singapore and the Middle East would also naturally strengthen. Information would flow more freely thus supporting Singapore’s service trade with the Middle East. While the services sector includes a wide variety of industries, such as engineering and tourism, it is Islamic finance, especially Islamic private wealth finance, which provides the best illustration of the benefits.

How so? It is useful to compare Singapore’s ambitious in Islamic finance to those of Hong Kong. In the past two years, Hong Kong has attempted to build an Islamic financial services industry. The HKMA and the Hong Kong Treasury Management Association are currently examining the necessary regulatory changes for Islamic bond issuance. The Chief Executive has even participated in one of the many recent trips made by Hong Kong officials to the Middle East to raise the territory’s profile.

Yet, in my conversations with people familiar with Hong Kong’s ambitions, a commonly held concern is that Hong
Kong lacks the Arab and Islamic credentials necessary to attract Middle East investors. For instance, the city has only two main mosques easily accessible to foreigners—a larger mosque in Kowloon and a smaller one on Hong Kong Island. My own surveys made it clear that only a few of the territory’s 5-star hotels serve Halal food and offer Arabic-language cable channels for Arab visitors.

Singapore clearly enjoys a comparative advantage over Hong Kong in providing a more welcoming climate for Middle Eastern visitors. However, more could be done.

**Conclusion**

The small size of the Hadrami community means it cannot play the same role it once did in Singapore’s economic development. However, the community’s historical legacy offers a way to strengthen Singapore’s trade in “differentiated” service goods with the Middle East. This would benefit not just the Hadrami community, but also the broader business community. Indeed, the prime beneficiaries would more likely be non-Hadrami Singaporean service sector companies already selling services to the Middle East.

It is also equally important for commercial purposes to broaden the appeal of the Hadrami’s historical legacy. While Yemen might keenly appreciate Singapore’s Hadrami legacy, other parts of the Middle East may not feel the same attraction. Singapore might better advertise its “Arab legacy”, as opposed to its “Hadrami legacy”, in order to reach the largest possible market, especially in the smaller, but nonetheless important, non-Gulf markets.
The following are a few suggestions in achieving this aim.

**Education:** The number of Middle East students studying in the United States remains low relative as result of tensions resulting from events since 2001, even as China’s economic importance in the Middle East has grown.

Singapore might better capitalize on this, first, by providing a welcoming environment for Middle East students, especially one in which they have easy access to mosques and Halal foods, and, second, by offering students immersion in an Asian, and in particular, an ethnic-Chinese economy. In my conversations with Middle Eastern firms, many managers cite a lack of knowledge about China as an impediment to expanding their firm’s activities in the country. Singapore could provide training to such firms.

Over time, a cadre of Middle Eastern graduates would create the type of social networks critical to trade in “differentiated” services. Such a cadre would make it easier for Singapore companies to employ talented nationals from Middle East countries, identify opportunities in the Middle East economies, while also attract more Middle East investment in Singapore. The city would benefit in much the same way as the U.K. and U.S benefit from their foreign graduates who often retain strong links with their countries.

**Tourism:** The number of Middle Eastern visitors to Singapore has risen from 70,000 to 114,000 between 1998 and 2008. But so have the numbers to other countries. For instance, the number of Middle Eastern visitors to Hong
Kong has risen from 49,000 to 172,000 in the same period. Anecdotal evidence suggests that visitors are attracted by Hong Kong’s hotels, shopping, theme parks, and, for some, neighboring Macau. Singapore will offer much the same as Hong Kong after the construction of the Integrated Resort scheme.

Yet Singapore can also offer Middle Eastern visitors the city’s Arab legacy. Arab Street, for instance, offers a taste of the Middle East’s historical ties to South East Asia. Such historical ties should not be overlooked. The Middle East, especially the Gulf, is experiencing a resurgent pride in its rich history. Doha has constructed the Islamic Art Museum and redeveloped the city’s old markets in Doha. Dubai has similarly redeveloped its old market near Dubai Creek, while it also built modern copies, such as Madinat Jameirah.

**Retail:** Establish a dedicated Arab shopping strip, preferably near the existing Arab Street, competitive with similar strips in Bangkok and Kuala Lumpur. Encouraging branded Oud retail stores to open in the city thus leveraging the city’s reputation as an Oud centre. Gold and fabrics would also be popular. Longer shopping hours would better suit Arab tourists used to shopping late. Better regulation of traffic in the narrow streets around Arab Street might also encourage a bazaar atmosphere.

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7 The number of overnight Middle Eastern visitors was lower at 100,000 in 2008.
Health: Health care is a major expenditure for Gulf residents. Indeed, Abu Dhabi has contracted the famous Cleveland Clinic to build a 360 bed hospital in the emirate.

Until recently, many Gulf nationals travelled to Europe and the United States for their health care. However, a growing number of nationals are now travelling to Korea, Singapore and Thailand where the standard of healthcare is still high, but prices are lower. Thailand is a particularly notable example as its Bangkok Hospital deliberately caters to Arab and Muslim patients. The country draws on its minority Muslim population by making Arabic-speaking staff and Halal food available to patients.

Singapore’s health system is among the best in the region. It already caters to Arab patients, but more emphasis could be put on the city’s historical ties to the Middle East and, again, the fact it provides a welcoming environment for Muslim visitors. My conversations in the Middle East even suggest some interest in traditional Chinese medicine. Similar to the example of the education industry, Singapore is well positioned to blend its Chinese and Arab heritage to capture the Middle East’s growing interest in China.

The above four examples are not an exhaustive list. But they indicate how Singapore might better leverage the Hadrami community to strengthen commercial ties with the Middle East. Most important is recognizing the importance of Singapore’s “differentiated” services trade with the Middle East, and the need to improve information dissemination. With this in mind, I would argue that providing education services to Middle Eastern students offers the most durable way to strengthen commercial relations with the region.