Recent power failure a good wake-up call not to be complacent: economist
By Johnson Choo, Channel NewsAsia

SINGAPORE: Economists have described Thursday's power failure as a good wake-up call for Singapore.

They noted that while taking pride in positioning itself as a business hub with an excellent infrastructure, the country must be careful not to become complacent.

The last major power failure in Singapore on 29 June 2004 is estimated to have cost businesses some S$6 million in losses.

While the losses this time round are still being tallied, analysts say Thursday's outage could put a dampener on Singapore's reputation as an efficient base for regional operational headquarters.

Associate Professor Annie Koh, Dean, Executive Education, SMU, said, "It's a good wake up call. I'm glad it (was) in pockets of residential areas and not so much where the whole financial centre is..But I think we have to recognise that if we keep telling people that we are around, we are awake 24/7 and this is the place for you to put all your data, put your soft-skills, put your service, we better deliver on that promise."

With domestic demand projected to grow at 4.5 percent annually, the government is taking a serious view in ensuring a sustainable and steady supply of electricity.

Currently, about 70 percent of Singapore's electricity is generated by natural gas, sourced from Malaysia and Indonesia.

Besides relying on diesel as a backup, energy companies have been looking to diversify their fuel sources.

This includes the use of liquefied natural gas.

Associate Professor Koh said, "You'll notice that we've talked (about) and explored different forms of fuel like bio-fuels, anything that we can do R&D on. So if you (look) at it, it's no longer just dependent on raw material, we are also growing the R&D to support the service side. So what you don't see may be the manufacturing, but everything that we do is to give us that reason for existence - as a hub for trading, a hub for service support..."

The Energy Market Authority has put in place regulatory controls to improve reliability by imposing tough punitive measures for interrupted service.

Experts say this will go in some way to deter complacency. - CNA/ms