

Rupert Murdoch's three-month pursuit of Dow Jones – is he the saviour he makes himself out to be?

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Is the Singapore Art Show the poor cousin of the Singapore Biennale?

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Medical insurance for all babies from Dec

BY SALMA KHALIK
Health Correspondent

FROM December, all babies in Singapore will automatically be covered by medical insurance within two to three months of birth – unless their parents decide otherwise.

The \$30-a-year insurance premium will be deducted from the father's Medisave account. If the father has no Medisave account, the mother's account will be used.

This move to get widespread insurance coverage for children is the final big piece in Singapore's health-care structure, said Health Minister Khaw Boon Wan yesterday. With children added, 85 per cent of the population would be covered against catastrophic diseases.

And with the big umbrella structures in place, the Health Minister signalled that he would be turning his attention to the "micro elements", such as getting providers to be more efficient in their service by not overcharging or over-treating patients.

Another possible next step: Getting insurers to encourage policy-holders to stay healthy with "no-claim bonuses, premium discounts for non-smokers and discounted or complimentary health screenings", said Mr Khaw.

As for insurance for newborns, this is how it will work: Parents will be sent a letter telling them of their child's insurance coverage, and will have a month to cancel the policy.

If they do nothing during this time, it will be assumed that they agree, and the insurance coverage for the child will commence after an additional one-month waiting period. This is the standard for MediShield, the national health insurance scheme.

But it won't be just newborns that will be insured. Next year, parents of school-going children will also be given the option to sign them up for MediShield, which covers children in case they incur large hospital bills.

The Health Ministry will work with the Education Ministry to get pupils insured when they register for Primary 1. There will also be a one-off exercise for all other schoolchildren.

Mr Khaw told The Straits Times last night that MediShield "is a good product and inexpensive, and really, all children should be in it".

About half the children in Singapore are already covered, but close to 400,000 are not. Should they suffer a serious illness, their parents might have difficulty paying their hospital bills. The child may also no longer be eligible for insurance coverage.

Before deciding on the extended coverage scheme, Mr Khaw spoke to parents whose children have no health insurance coverage to find out why. "They said: 'Inertia! This is understandable, so we shall make it easy for them to do so.'"

Today, 75 per cent of Singaporeans and permanent residents are covered by MediShield. With children added, coverage will go up to 85 per cent, he said.

It's not realistic to expect 100 per cent coverage as there are people who can't be insured because of existing problems, or who have private funds or insurance, he said.

Mr Khaw was giving the media his assessment of the state of health care here after the opening of the three-day Southeast Asia Health Insurance conference at the Raffles City Convention Centre.

Singapore had carefully incorporated the best elements from America's insurance model and Britain's tax model, he said.

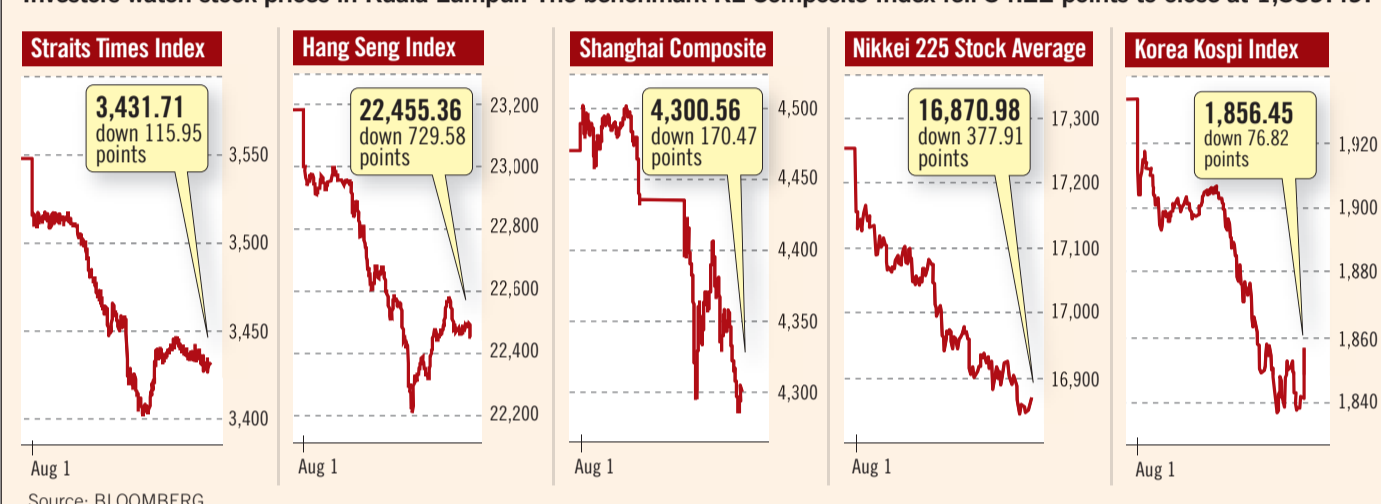
On top of that, it added a strong emphasis on personal responsibility.

"Co-payment helps to re-establish the primary relationship between buyer and seller, so critical in ensuring the proper functioning of any market," he said.

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TEXT OF MINISTER'S SPEECH, REVIEW PAGE 24



Investors watch stock prices in Kuala Lumpur. The benchmark KL Composite Index fell 34.22 points to close at 1,339.49.



Asia bourses tumble as US credit woes spread

Markets battered for second time in six days; STI posts 2nd worst one-day drop this year

BY GOH ENG YEOW
Markets Correspondent

ASIAN stock markets took another pounding yesterday – their second in a space of six days – as the fallout from the United States' crisis-hit mortgage sector started to spread.

Bourses from Mumbai to Sydney were engulfed in turmoil as foreign investors cut their exposure to regional equities and rushed for the exits.

Singapore's Straits Times Index (STI) fell 115.95 points, or 3.27 per cent, to 3,431.71 – its second-worst one-day drop this year. At one point, it was down 145 points. About \$22 billion has been wiped off the value of shares.

Yesterday's slump, and a similar one last Friday, has seen the STI shed 6.4 per cent since its record high of 3,665.13 last Tuesday.

It was just as grim else-

where. Hong Kong's Hang Seng Index fell 3.15 per cent, South Korea's Kospi slumped 3.97 per cent, and Tokyo's Nikkei 225 dropped 2.19 per cent. Even Shanghai, which dodged the belting handed out last Friday, was not spared and tumbled 3.81 per cent.

After the mauling in Asia, European markets opened lower, with key indices in London, Frankfurt and Paris each falling by more than 1 per cent.

"The stock market correction is turning out to be more serious than expected. We may take longer to recover from this knockout blow," said Phillip Securities managing director Loh Hoon Sun.

The trigger for yesterday's carnage came from two fronts. There was talk in the US that a major mortgage lender may be facing bankruptcy after its credit lines were cut.

Many US lenders and other financial players are at risk over mortgages given to people with a poor credit history. The slump in the housing market has left millions of such "sub-prime" borrowers unable to service loans on homes that have fallen in value.

What was seen as a US problem is rapidly turning into a global one, given the in-

terconnected nature of financial markets.

That explains the second trigger – reports from Australia that two funds run by giant merchant bank Macquarie may be facing substantial losses due to an upsurge in volatility in the US credit markets.

Macquarie shares plunged 10.7 per cent in Sydney, and raised the spectre that the US troubles are spreading toxins through global stock markets.

"Macquarie drives the

US stocks up

UNITED States stocks rose at midday in choppy trading yesterday, after home builder Beazer Homes said rumours of a prospective bankruptcy filing were unfounded, easing some of the housing and credit worries that were hurting shares of home builders and financial firms.

After three hours of trading, the Dow Jones Industrial Average was up 87.6 points, or 0.7 per cent, at 13,299.6, while the Nasdaq Composite Index inched up 0.1 per cent to 2,549.26.

REUTERS

point forcefully that the contagion from the US mortgage market could be hitting closer to home," said remisier James Chia.

The mood was grim in local dealing rooms as traders scrambled to tell clients to top up the "margins" on their shares. This occurs when shares bought largely on credit fall below a certain value.

Retail investors were badly hit. Penny stocks fell by about 10 per cent after brokerages imposed credit limits on purchases of such counters recently.

The big blue chip losers included United Overseas Bank, which fell \$1.20 to \$21.30, Singapore Exchange, down 65 cents to \$9.25, and DBS Group Holdings, which lost 60 cents to \$22.50.

The sharp correction may force investors to rethink their strategy, noted Mr Markus Rosgen, Citigroup's chief Asian strategist. More volatile share prices and higher interest rates will end the buying momentum propelling prices up and encourage investors to buy based on sound valuations and company fundamentals, he said.

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END OF THE PENNY PARTY AS SHARE PRICES DIVE, MONEY H20

» UPFRONT

A winning mix of business and social needs



BY ARLINA ARSHAD

OVER a year ago, many pre-schools here did not want to take in "Bob", five, because of his violent temper.

Diagnosed with Asperger syndrome, a type of autism, he also could not respond to simple questions or communicate his feelings.

One school, Bridge Learning, took him in. Its speciality, after all, was in learning difficulties and disabilities.

Today, he can string coherent sentences together, and has learned to keep his fiery outbursts in check.

For the work Bridge Learning has done for "Bob" and other children, its founder and executive director Arena Ng was last Friday named the winner of the DHL Young Entrepreneurs for Sustainability, or Yes, Award.

She pipped two other finalists to the prize, which honours "social entrepreneurs" – those running businesses set up to meet social needs.

Mrs Ng, 29, who won US\$5,000 (\$7,600), will represent Singapore and go up against winners from countries around the region for an Asia-Pacific award, which will be given out here with a US\$10,000 prize at the end of this month.

A relatively new concept here, social entrepreneurship is sometimes confused with social enterprise, which refers to any business which ploughs back its profits to fund social causes like charity-run cafes. Social entrepreneurs, on the other hand, run their businesses to address specific social needs.

Social entrepreneurship, which promises to make welfare services self-funding, is gaining interest here: With 1,900 charities and welfare groups vying for limited funds

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