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## SINGAPORE'S GENERAL ECONOMIC AND INTERNATIONAL VISION:

THE HISTORICAL/CURRENT  
PARTICIPATION AND FUTURE VISION  
OF SINGAPORE IN RELATION TO ASEAN  
AND IN THE FRAMEWORK OF THE  
NEW RISE OF ASIA PACIFIC.

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**SUMMARY:** I. Introduction II. The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPT-PP) III. Singapore's ASEAN Smart Cities Network Initiative IV. Singapore and ASEAN in the post-coronavirus World V. Singapore and Indonesia VI. Rise of the 'Little Dragon' VII. Singapore the US Strategic Partner VIII. Conclusion IX. Bibliography

## I. INTRODUCTION

Singapore is perhaps one of East Asia's strongest defender of free trade. In an age of anti-globalization forces, Singapore's vision for ASEAN and the Asia Pacific is the continuation of a free trading regime in the region. Singapore is a major beneficiary of free trade in the region. With a small domestic market, free trade is in fact crucial for the economic survival of the island state. Singapore's dependence on trade is reflected by the 326% trade-to-GDP ratio (4<sup>th</sup> highest globally) and its trans-shipment hub depends on free trade to work, with exports mainly including electronics, pharmaceutical products, petroleum and mineral products, and industrial equipment.<sup>1</sup> Singapore's vision for ASEAN and the Asia Pacific can be described as cutting-edge, often dealing with issues that are far ahead of its time, including items like ASEAN smart cities network,

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<sup>1</sup> Jain, Aarushi, "Singapore: A Small Asian Heavyweight" dated 16 April 2020 in Council of Foreign Relations website [downloaded on 16 April 2020], available at <https://www.cfr.org/backgrounder/singapore-small-asian-heavyweight>

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e-commerce promotion and post-COVID-19 coronavirus pandemic mitigation measures. Its approach is also inclusive, working with mature economies, developing and emerging economies as well as both socialist economies and democracies for trade, business, investments and economic opportunities.

Singapore is also at the forefront of all significant regional free trade initiatives, leading the Trans Pacific Partnership (TPP) at its founding before joining the successor Comprehensive and Progressive Agreement Trans Pacific Partnership (CPTPP) now motivated by Japan, Australia and New Zealand. Singapore also coordinates Regional Comprehensive Economic Partnership (RCEP) closely with the biggest entity in Southeast Asia, Indonesia, and other regional economies. In terms of security, Singapore works with its traditional Anglo-Saxon + Malaysia partners in the region's second oldest security partnership, the Five Power Defence Arrangement (FPDA), sharing intelligence to make the region a peaceful and economically open space to trade.

But, most importantly, it is the strategic partner of the United States of America (USA) in maritime security issues to keep the region safe from piracy, the sea lanes of communication (SLOCs) and trade open and inclusive for all through its support for the Code of Conduct (CoC). Singapore is firmly embedded in the rules-based international norm, international law-observing and prosper thy neighbour principle in global affairs. It works closely with Association of Southeast Asian Nation (ASEAN) countries and China on drawing up a Code of Conduct (CoC) on the South China Sea (SCS) maritime disputes. Singapore itself is not a claimant to the islands in the South China Sea (SCS) but hopes to see a peaceful resolution, given the potential flashpoint danger of that body of water with its numerous claimants.

With the rise of anti-globalization storm, protectionist forces and the dark clouds of trade war, Singapore and Japan are now the two important poles of free trade in the region in the 21<sup>st</sup> century. Japan is now one of the leaders of the Comprehensive and Progressive Agreement for Trans Pacific Partnership (CPTPP), an initiative of which Singapore was a founding member of its predecessor. Singapore and Japan are now seen by some quarters as the reigning champions of free trade in the 21<sup>st</sup> century. Japan has signed the EU-Japan Economic Partnership Agreement with the European Union (EU) on free trade, a deal inked between Japanese Prime Minister Shinzo Abe, European Council President Donald Tusk and European Commission President Jean-Claude Juncker. Japan also signed the first stage agreement in its free trade negotiations with the United States of America. In the past, Japan had already signed the Japan Singapore Economic Partnership Agreement (JSEPA) and the free trade agreement with ASEAN. It is also a leader in CPTPP as well as an important member of the RCEP talks. The only

other country in this pivotal central position in all major free trade agreements in the region is Singapore which is also a participant in these free trade initiatives.

Singapore is also an active founding member of ASEAN (the original ASEAN-5). In fact, it is nicknamed by some countries, observers and commentators as “ASEAN’s brain”, coming up with policy ideas and contributing to intellectual and policy debates within ASEAN. In the years to come, Singapore’s economic destiny will grow closer to the ASEAN Economic Community (AEC, formed quietly in December 2015) with the group’s emphasis on increasing levels of innovation (like the ASEAN Smart Cities initiative) along with greater connectivity, intra-regional investments and trade. The idea is to increase trade links between countries/economies within ASEAN which are currently smaller than ASEAN countries’ trade with its external partners like China, Japan, US/EU. There are mutualistic benefits for Singapore when these initiatives succeed. For example, the growth of the ASEAN middle class will become a ready consumer market for Singapore’s products and services. Southeast Asian countries/economies will also be an important source of raw materials and commodities for Singapore’s industries.

ASEAN will become an important economic hinterland for Singapore which does not have a large domestic consumer market, even as Singapore continues its economic links with mature developed economies like the US, Japan, and European Union (EU). In other words, Singapore is an important intermediary between the advanced economies/developed world and the emerging/developing world as well as an important node between developing economies in the region. It will also simultaneously engage with the already-emerged or emerging consumer markets/industries/service sectors of India and the People’s Republic of China (PRC). Singapore is an active participant in both the maritime and overland components of China’s Belt and Road Initiative (BRI), China’s most important economic initiative under President Xi Jinping’s administration.

In the overland route, Singapore has selected Chongqing to be its strategic base since it is the largest city in the world with a big consumer base, located at the confluence of important river system, hosting some high tech manufacturing industries and Singaporean companies (including Government Linked Companies or GLCs) has some project management experience in the city. The Chongqing engagement is known as the Chongqing Connectively Initiative (CCI). From Chongqing, Singapore is also involved in the Southern Transport Corridor which will feature a railway line that can ferry goods southwards down to the maritime areas where goods can reach Singapore via the sea route. Singapore’s role is likened to that of a pathfinder for China and ASEAN companies by Singaporean senior politicians,

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in helping foreigner companies invest in China and vice versa in facilitating ASEAN investments to invest in China.

Singapore is also encouraging its entrepreneurs and small and medium sized enterprises (SMEs) to go regional and tap into ASEAN and large emerging markets. The hope is that they can grow to become regional giants like Singapore's home-grown Grab, Lazada, Razer, Trax and Sea.<sup>2</sup> These companies are successful because they ventured out into the regional markets. More home-grown companies can be at the forefront of regionalism and globalization. Some like Lazada were even acquired by global giants like Alibaba in their quest to become bigger. Singapore's Grab have also amalgamated with Uber Singapore to compete more effectively with economy of scale. Thus, going regional have also enabled some of these companies find partners that can make their scale and capitalization even bigger to compete more effectively with global giants.

Besides the SME sector, unicorns and high tech ventures, Singapore's politicians are also very busy forging links with other regional economies, including their institutions such as trade union cooperatives. Minister in the Prime Minister Office (PMO) and Sec-Gen of the National Trade Union Congress (NTUC) Lim Swee Say is also bringing trade union institutions closer together. He forged the links between the Saigon Union of Trading Co-operative and Singapore's NTUC FairPrice group to co-organise the inaugural Vietnam Fair at more than 120 supermarkets across Singapore from 29 May 2020 to 11 June 2020 and aims to see the event become a yearly activity to feature/introduce Vietnamese-made products to Singaporeans.<sup>3</sup> In that way, Singapore consumers can be exposed more to Vietnamese products and this can also encourage more trade links within ASEAN. Both Vietnam and Singapore are also part of the CPTPP.

## II. THE COMPREHENSIVE AND PROGRESSIVE AGREEMENT FOR TRANS-PACIFIC PARTNERSHIP (CPTPP)

Singapore, Brunei, Chile, and New Zealand launched twelve-member Trans-Pacific Partnership (TPP) talks in 2008 before its successor, the CPTPP (Comprehensive and Progressive Trans Pacific Partnership), was finally signed in 2017. As one of the handful of founding nations to come up with the idea of Trans Pacific Partnership (TPP), Singapore was at the fore-

<sup>2</sup> Chang, Jonathan, "Commentary: The future is Asian but can Singaporeans lead it?" dated 26 Feb 2020 in Channelnewsasia [downloaded on 26 Feb 2020], available at <https://www.channelnewsasia.com/news/commentary/singaporeans-studying-overseas-china-indonesia-vietnam-india-12467844>

<sup>3</sup> The Embassy of Socialist Republic of Viet Nam, "Singapore values economic bond with Vietnam official" in The Embassy of Socialist Republic of Viet Nam website [downloaded on 31 May 2020], available at <https://vnembassy-singapore.mofa.gov.vn/en-us/News/EmbassyNews/Pages/Singapore-values-economic-bond-with-Vietnam-official.aspx?p=3>

front of free trade regionalism discussions with the United States of America, Japan, Australia and New Zealand, a gathering of parliamentary democracies in the region. Japanese Prime Minister Shinzo Abe made a very courageous and brave decision and put his career on the line when Japan entered the US-led Trans-Pacific Partnership talks during the era of US President Barack Obama's administration. Japan then displayed another round of leadership when it transformed a stillborn TPP into the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) which came into effect from 30 December 2018 onwards. The CPTPP is open and inclusive. The Japanese government also welcomes post-Brexit United Kingdom to join the CPTPP when it is ready after leaving the European Union (EU).

Consequently, Singapore is part of the important milestone Comprehensive and Progressive Trans Pacific Partnership (CPTPP) 11-country trade deal, a reworked edition of the Trans-Pacific Partnership (TPP) that will cut tariffs in the Asia Pacific region for Australia, New Zealand, Canada, Japan, Mexico and Singapore, Vietnam, Brunei, Chile, Malaysia and Peru. The United States is interested to re-join at a later date when the conditions are right. The CPTPP (also nicknamed the 'TPP-11' after the 11 countries that remain in the pact) forges an economic region with 500 million people. It is valued at US\$11 trillion in gross domestic product GDP (approximately 14% of the globe's total GDP) and it maintains momentum on items like services, electronic commerce (e-commerce), telecommunications, competition policy, state-owned enterprises (SOEs), intellectual property (IPR), government procurement, transparency, anti-corruption, labour rights and the environment, beyond just mere free trade.<sup>4</sup>

When the pact was in its TPP carnation, it was often known as the golden benchmark of free trade agreements since it has much higher standards for items like state-owned enterprises (SOE), human rights, labour rights and intellectual property rights (IPR) which may make it more challenging for authoritarian governments or rogue states to join in. To be a member, they must agree to a coterie of strict conditions in this area. But, in its CPTPP carnation, it is an inclusive pact that welcomes all who are interested to meet its standards as a signatory.

### III. SINGAPORE'S ASEAN SMART CITIES NETWORK INITIATIVE

Singapore's achievement in putting together and leading the smart cities initiatives in ASEAN when it was the ASEAN chair is highly praised in the region and beyond for being a progressive vision. The ASEAN Smart Cities Network (ASCN) uses Industry 4.0 technologies and urban infrastructure

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<sup>4</sup> West, John, "As Global Protectionism Rises, Japan Emerges as Asia's Free Trade Champion" dated 30 May 2019 In Brink New [downloaded on 30 May 2019], available at <https://www.brinknews.com/as-global-protectionism-rises-japan-emerges-as-asias-free-trade-champion/>

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construction to enhance the liveability and quality of life for the people in selected 26 cities within ASEAN. The 26 smart cities include Singapore, Johor Bahru, Phuket, Yangon, Phnom Penh and Vientiane. The Singapore proposal is timely because ASEAN projects 90 million more individuals will move to Southeast Asian cities by 2030 and it is therefore important to build smart accessible cities for all.<sup>5</sup> The ASCN intends to use digital technologies to make public facilities and infrastructures more accessible to the physically challenged individuals so that they can navigate around the city with ease. The most advanced technological nation in the world, the United States, is highly supportive of this proposal. The US has an interest in the digital infrastructure of the ASEAN (Association of Southeast Nations) economy (a market worth almost nearly US\$3 trillion) and US Vice President Mike Pence “spur renewed American investment in the region’s digital infrastructure” by dedicating an initial US investment of US\$10 million.<sup>6</sup> The US, in fact, has much to offer since many of the world’s most high tech equipment and software come from the US’s Silicon Valley in Palo Alto in California.

According to Tan Chee Haw (Singapore’s chief Smart City officer) the Singapore-initiated ASEAN Smart Cities Network will construct a digital economy for employment/ economic opportunities while promoting digital governance so that the citizenries can access the government electronically, promote digital education/literature and ensure egalitarian distribution (mitigation of rich-poor gap, poverty, urban-rural gap, etc.) of smart urban resources to all.<sup>7</sup> Smart cities can help to make lives and businesses more convenient by making administrative transactions efficient through online procedures. Singapore is keen to help other ASEAN countries catch up in this sector. One way in which Singapore provides digital education is by cooperating with Japan. To carry their free trade vision into the 21<sup>st</sup> century, both Japan and Singapore are also providing capacity-building training for other emerging economies. The training areas include digital training as one items in an array of courses for ASEAN’s officials.

On 16 May 2019, a planning committee on the FY2019 annual work plan for Japan-Singapore Partnership Programme for the 21<sup>st</sup> Century met in

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**5** ASEAN, “The ASEAN Smart Cities Network: Singapore’s legacy as ASEAN chair” dated 3 Jan 2019 in ASEAN Today [downloaded on 3 Jan 2019], available at <https://www.aseantoday.com/2019/01/the-asean-smart-cities-network-singapores-legacy-as-asean-chair/>

**6** McCarthy, Simone, “Can China outsmart the United States in the race to build smart cities in Southeast Asia?” dated 25 November 2019 in South China Morning Post (SCMP) [downloaded on 25 November 2019], available at <https://www.scmp.com/news/china/diplomacy/article/3039110/can-china-outsmart-united-states-race-build-smart-cities>

**7** ASEAN, “The ASEAN Smart Cities Network: Singapore’s legacy as ASEAN chair” dated 3 Jan 2019 in ASEAN Today [downloaded on 3 Jan 2019], available at <https://www.aseantoday.com/2019/01/the-asean-smart-cities-network-singapores-legacy-as-asean-chair/>

Singapore. Their respective foreign ministry officials participated in the meeting. Director Yukiko Okano (Country Assistance Planning Division I, International Cooperation Bureau) and officials of Japan International Cooperation Agency met with Director-General William Tan (Technical Cooperation Bureau). They created training courses for ASEAN's Mekong countries (e.g. courses such as Urban Development under a Smart Nation Vision, Development of Private Sector, Intellectual Property Protection and Rights, Micro-Small and Medium Enterprises, Attracting FDIs, Financial Technology and Digital Economy).<sup>8</sup> The trained officials can bring back their knowledge to teach other fellow officials or use the technologies when they become available in their workplaces.

Many of the recipients of the training come from the later ASEAN member states that are former or current socialist economies which have been making the transition to market economies and/or democratic regimes. They are the CLMV countries or Cambodia, Laos, Myanmar and Vietnam. All CLMV have promising economies now in rapid take-off with the rise of Vietnam in the lead. Cambodia is prospering now with incoming investments from China, ASEAN and other investors. Laos has ambitions to become the battery of Indo-China with its hydropower dams while Myanmar is known as the region's last economic frontier after emerging from years of economic sanctions. Singapore is a major investors in all of them.

One major feature of smart cities is the ability to do e-commerce, overcoming physical barriers, expensive office rentals and reaching a much wide audience (regional or even global). Singapore works closely with advanced economies in this aspect to encourage greater digitization of regional economies. Separately from its ASEAN Smart Cities network initiative, on a more macro perspective in the e-commerce sector, Australia, Japan and Singapore hosted an informal meeting of Ministers on the World Trade Organization (WTO) electronic commerce (e-commerce) negotiations in Davos Switzerland on 24 January 2020. Their discussion centred on how to shape an international environment for digital trade with privacy and consumer protection (Australia); incorporating the concept of Data Free Flow with Trust (DFFT) through the "Osaka Track" (Japan) and the modernization of the WTO rule book to tackle important trends/requirements in the digital space for both big and small players alike (Singapore).<sup>9</sup>

**8** Ministry of Foreign Affairs (MOFA) Japan, "Japan-Singapore Partnership Programme for the 21<sup>st</sup> Century (JSP21)" dated 16 May 2019 in Ministry of Foreign Affairs (MOFA) Japan website [downloaded on 16 May 2019], available at [https://www.mofa.go.jp/press/release/press1e\\_000125.html](https://www.mofa.go.jp/press/release/press1e_000125.html)

**9** METI Ministry of Economy, Trade and Industry Japan, "Australia, Japan and Singapore welcome good progress in WTO electronic commerce negotiations" dated 24 Jan 2020 in the Ministry of Economy Trade and Industry METI [downloaded on 24 Jan 2020], available at <https://www.meti.go.jp/press/2019/01/20200124004/20200124004-2.pdf>

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Singapore can then be a conduit to bring ideas from interactions with Australia and Japan back to ASEAN. E-commerce is at a take-off stage in ASEAN economies and has been in place for many first-tier cities in Southeast Asia. Singapore-led smart cities initiative will focus on using digital technologies to tackle issues like fast urbanization, crowded cities, pollution and its impact on water/air qualities and help to mitigate community-building needs from 2018 to 2025.<sup>10</sup> Singapore smart cities network initiative will also emphasize digital infrastructure construction, e-services, civic and social projects, health and wellbeing, safety and security, quality environments, built infrastructure, and industry and innovation.<sup>11</sup> It is a comprehensive list of items that creates economic opportunities for many regional and global high tech firms. Thus, it is not surprising that regional firms and global tech firms are interested to participate in this initiative.

US participation is keen on shaping the concept of “smart cities” in ASEAN. It did not want smart cities to translate to high surveillance spaces, and is interested in sister-city partnerships for transport and water security, having city representatives exchanges in Washington, forging business partnerships with US companies like IBM and General Electric; thus pledging US\$10 million followed by US government incentivization of private sector companies to invest in ASEAN’s digital infrastructure.<sup>12</sup> Within ASEAN, smart cities’ climate mitigation mechanism is also targeted for implementation in second tier cities (smaller-scale cities) that are economically and industrially less developed so that their local communities/governments can decide how they want to develop digitally in their economic plans based on local conditions.<sup>13</sup> And, when tailor-made solutions are successfully implemented, some of these solutions can be applied across the region and, when implemented on a sizable scale, they become technological benchmarking platforms across the region.

Very importantly, Singapore’s initiative has the support of the United States of America (USA). In 2018, US Vice-President Mike Pence declared

**10** Chia, Lianne “26 cities to pilot ASEAN Smart Cities Network” dated 28 April 2018 [downloaded on 28 April 2018], available at <https://www.channelnewsasia.com/news/singapore/26-cities-to-pilot-asean-smart-cities-network-10183550>

**11** ASEAN, “The ASEAN Smart Cities Network: Singapore’s legacy as ASEAN chair” dated 3 Jan 2019 in ASEAN Today [downloaded on 3 Jan 2019], available at <https://www.aseantoday.com/2019/01/the-asean-smart-cities-network-singapores-legacy-as-asean-chair/>

**12** McCarthy, Simone, “Can China outsmart the United States in the race to build smart cities in Southeast Asia?” dated 25 November 2019 in South China Morning Post (SCMP) [downloaded on 25 November 2019], available at <https://www.scmp.com/news/china/diplomacy/article/3039110/can-china-outsmart-united-states-race-build-smart-cities>

**13** ASEAN, “The ASEAN Smart Cities Network: Singapore’s legacy as ASEAN chair” dated 3 Jan 2019 in ASEAN Today [downloaded on 3 Jan 2019], available at <https://www.aseantoday.com/2019/01/the-asean-smart-cities-network-singapores-legacy-as-asean-chair/>

that the United States supports the ASEAN initiative to change the Southeast Asia's fastest developing cities into technological hubs in the Asean Smart Cities Network (ASCN) to deal digitally with the challenges of accelerated urbanisation and increasing populations (problems such as water source pollution, disease, tax collection and crime reduction).<sup>14</sup> Externally, the ASEAN Smart Cities Network (ASCN) is inclusive rather than exclusive and encourages public-private sectors partnerships, ASEAN governments and extra-ASEAN (external powers) partnerships. This is in line with Singapore's vision of inclusive, free and open trading regime for the region and the Asia Pacific. Japan will be playing an important role in the regional smart cities network. It already has pre-existing arrangements with some ASEAN countries like Thailand. Thailand has the Amata Smart City Chonburi project that collaborates with the Yokohama Urban Solutions Alliance to build a responsive, controllable and adaptable urban smart power grid to decrease the carbon footprints of City Chonburi's US\$40 billion yearly component of Thailand's Gross Domestic Product.<sup>15</sup> In these examples, Japan is a provider of high quality infrastructure and electronic solutions.

There is also a need to address security issues online as well. ASEAN governments are also keen on cybersecurity collaboration. They are aware that it is a multi-faceted issue that needs coordinated responses from multiple stakeholders in various platforms to encourage regional economic/technological development working through capacity-building measures.<sup>16</sup> Internally, ASEAN governments will collectively develop City-specific Action Plans for Smart City Development and it is up to each member country to lay down their infrastructure plans in accordance with their own local needs. Each city can then contribute to the masterplan their own priorities in forging smart cities and then integrate them into the regional masterplan. It is a flexible arrangement to ensure solutions are tailor-made instead of one size fits all. Focusing on Singapore's thematic concepts of innovation and resilience (and the associated social justice, equitable development), financing of the ASEAN Smart Cities Network will reach out to: World Bank, Asian Development Bank, Asian Infrastructure Investment Bank, Global

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**14** McCarthy, Simone, "Can China outsmart the United States in the race to build smart cities in Southeast Asia?" dated 25 November 2019 in South China Morning Post (SCMP) [downloaded on 25 November 2019], available at <https://www.scmp.com/news/china/diplomacy/article/3039110/can-china-outsmart-united-states-race-build-smart-cities>

**15** ASEAN, "The ASEAN Smart Cities Network: Singapore's legacy as ASEAN chair" dated 3 Jan 2019 in ASEAN Today [downloaded on 3 Jan 2019], available at <https://www.aseantoday.com/2019/01/the-asean-smart-cities-network-singapores-legacy-as-asean-chair/>

**16** Chia, Lianne "26 cities to pilot ASEAN Smart Cities Network" dated 28 April 2018 [downloaded on 28 April 2018], available at <https://www.channelnewsasia.com/news/singapore/26-cities-to-pilot-asean-smart-cities-network-10183550>

Infrastructure Hub, former Australian PM Malcolm Turnbull's US\$30 million investment fund, Japan External Trade Organization (JETRO) and United Nations Development Programme (UNDP).<sup>17</sup>

#### IV. SINGAPORE AND ASEAN IN THE POST-CORONAVIRUS WORLD

Like in the case of the smart cities network initiative, Singapore is often on top of things, spotting potential issues to tackle before they arise. Singapore is poised to propose a new protocol for cross-boundary mobility of travellers once the pandemic mortality rate shows a downward trend and becomes manageable and so Singapore's Ambassador to Indonesia, Anil Kumar Nayar, identified the need to take time and come up with procedures and a checklist of action before cross border travel between countries could resume.<sup>18</sup> Fortunately, the travel hub in Oceania between Australia and New Zealand can be a useful reference for this purpose. While there are eminent benefits in resuming business travel or tourism, it best to proceed with caution given the highly-infectious nature of the COVID-19 coronavirus and the tendency to experience subsequent waves of infection after relaxing restrictions on mobility or social distancing protocols.

The restarting of regional travel is extremely crucial as Singaporean companies are now increasingly integrated into regional operations. Fortunately, digital links like Zoom, Google Meet, Hangout, Skype, email and other digital software are bridging this need during the pandemic. In the past, regional connectivity was mainly applicable to multinational companies (MNCs) based in Singapore. However, today, even local companies are also spreading their wings regionally. For example, Singaporean venture-backed company Wonderlabs Group has activities in six countries across nine cities helping its customers in come up with software and leading software development teams internationally, while another local company Shopee grew from 10 to 1,000 workers in 4 years with operations in Singapore, Indonesia, Malaysia, Vietnam, Thailand, the Philippines and Taiwan.<sup>19</sup> All these regionally-successful local companies emphasize once again the need for cross-cultural teamwork and regional connectivity (both digital and real world connections). Singapore's education will be tweaked to meet such ends.

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**17** ASEAN, "The ASEAN Smart Cities Network: Singapore's legacy as ASEAN chair" dated 3 Jan 2019 in ASEAN Today [downloaded on 3 Jan 2019], available at <https://www.aseantoday.com/2019/01/the-asean-smart-cities-network-singapores-legacy-as-asean-chair/>

**18** Jakarta Post, "Singapore to propose post-corona rules for ASEAN travel" dated 5 May 2020 in News Desk The Jakarta Post [downloaded on 5 May 2020], available at <https://www.thejakartapost.com/asia/2020/05/05/singapore-to-propose-post-corona-protocol-for-asean.html>

**19** Chang, Jonathan, "Commentary: The future is Asian but can Singaporeans lead it?" dated 26 Feb 2020 in Channelnewsasia [downloaded on 26 Feb 2020], available at <https://www.channelnewsasia.com/news/commentary/singaporeans-studying-overseas-china-indonesia-vietnam-india-12467844>

## V. SINGAPORE AND INDONESIA

Indonesia is the heavyweight entity in Southeast Asia. As the largest power in Southeast Asia, Indonesia has been a benign giant dedicated to the overall prosperity of the ASEAN region and working closely with Southeast Asia's "brain" and a small entity like Singapore that punches far above its economic weight. Indonesia and Singapore are well poised to increase their bilateral economic cooperation. This can be seen in the Indonesian Trade Minister Agus Suparmanto's gathering with Singapore's Trade and Industry Minister Chan Chun Sing on the sidelines of the 35th ASEAN Summit in Bangkok Thailand and they have formed six working groups: on Batam, Bintan, and Karimun Special Economic Zone and working group on investment, manpower, transportation, agribusiness, and tourism.<sup>20</sup> Batam and Bintan are part of the Riau Archipelago where Singaporean investors have been developing and cooperating economically for some time. Batam has become a prosperous industrial zone while Bintan have become a popular tourist location (including exotic eco-tourism resort).

Given the already strong working relationship between both countries in the Riau Archipelago and elsewhere, Singapore and Indonesia's economic ties are likely to deepen further. The Singapore–Indonesia commercial aviation route is one of the most heavily travelled within Southeast Asia.<sup>21</sup> Singapore and Indonesia are keen to deepen talks on the Regional Comprehensive Economic Partnership (RCEP) and come up with market access strategies with a coordinated ASEAN front in joining RCEP's economic cooperation mechanism that includes 10 ASEAN member nations and six partner states: China, South Korea, Japan, Australia, New Zealand, and India.<sup>22</sup> This trade pact appears to emphasize low-lying fruits that makes the pact more pragmatic and goals more attainable (in comparison with the golden standards of compliance found in TPP, now CPTPP). The RCEP initiative was started in November 2012 and it makes up 50% of the world's population, 30% of global GDP and approximately 25% of world exports and foreign investment.<sup>23</sup>

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**20** Antara (Sella Panduarsa G., Sri Haryat), "Indonesia-Singapore meeting focused on bilateral trade improvement" dated 1 November 2019 in Antara News [downloaded on 1 Nov 2019], available at <https://en.antaranews.com/news/135747/indonesia-singapore-meeting-focused-on-bilateral-trade-improvement>

**21** Chong, Alan, "Taking the long view of Singapore–Indonesia relations" dated 17 September 2016 in East Asia Forum [downloaded on 1 Jan 2019], available at <https://www.eastasiaforum.org/2016/09/17/taking-the-long-view-of-singapore-indonesia-relations/>

**22** Antara (Sella Panduarsa G., Sri Haryat), "Indonesia-Singapore meeting focused on bilateral trade improvement" dated 1 November 2019 in Antara News [downloaded on 1 Nov 2019], available at <https://en.antaranews.com/news/135747/indonesia-singapore-meeting-focused-on-bilateral-trade-improvement>

**23** West, John, "As Global Protectionism Rises, Japan Emerges as Asia's Free Trade Champion" dated 30 May 2019 In Brink New [downloaded on 30 May 2019], available at <https://www.brinknews.com/as-global-protectionism-rises-japan-emerges-as-asias-free-trade-champion/>

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Japan and Singapore are both important participant in the talks since its inception.

A successful conclusion of the Regional Comprehensive Economic Partnership (RCEP) trade agreement opens the way for Singapore and Indonesia to engage with economic opportunities in China. RCEP is sometimes perceived to be favoured by Beijing due to its low-lying fruits and initial exclusion from the TPP. [The RCEP was going to be concluded in Bangkok Thailand in 2019 but was scuttled last minute with the reversal of India's decision to join the pact.] Given that India and China will be important engine of growth for the region, Asia as a whole and the world, India's participation is crucial though India itself felt it is not ready to do so. There are some talks that it may be possible to sign the pact without India and then allow India to join when it is ready to do so. This will allow those who are ready to move ahead with the pact first. In both CPTPP as well as RCEP, Singapore and Japan are active participants.

### VI. RISE OF THE 'LITTLE DRAGON'

Singapore is also a fast and early mover in investing in the rising dragon of Southeast Asia – Vietnam. Vietnam has been the major beneficiary of the US-China trade war, attracting multinational companies (MNCs) leaving China due to the US tariffs over to its shore, while at the same time, enjoying a boom in its economy driven by oil exports and companies seeking a cheaper production base (as China's salaries rise) manned by a labour force with hardworking ethics. Minister in the Singaporean Prime Minister's Office and Secretary-General of the National Trade Union Congress (NTUC) Lim Swee Say is a point person in further Singapore's economic ties with Vietnam. He revealed that local businesses want to invest in the country and bolster trading with Vietnamese partners in his exchange with Deputy Secretary of the Ho Chi Minh City Party Committee Nguyen Thi Thu Ha and Vice Chairwoman of the municipal People's Committee Nguyen Thi Hong on 29 May 2020.<sup>24</sup> There is much potential for Vietnam and Singapore to work together, including cooperation at a city-level bilateral exchange.

### SECURITY. FIVE POWER DEFENCE ARRANGEMENT (FPDA)

As a former British colony, Singapore is a member of the Commonwealth and participates in the Five Power Defense Arrangements, so it has traditional security relations with Australia, Malaysia, New Zealand, and the

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**24** The Embassy of Socialist Republic of Viet Nam, "Singapore values economic bond with Vietnam official" in The Embassy of Socialist Republic of Viet Nam website [downloaded on 31 May 2020], available at <https://vnembassy-singapore.mofa.gov.vn/en-us/News/EmbassyNews/Pages/Singapore-values-economic-bond-with-Vietnam-official.aspx?p=3>

United Kingdom which is a traditional Anglo-Saxon stakeholder presence in Southeast Asia, contributing to peace and security in the region and keeping regional trade going. Malaysia and Singapore were both former colonies of the British empire. The “five powers” defence arrangement involving Australia, Malaysia, New Zealand, Singapore, and the United Kingdom consult each other in the event of an imminent threat on any members, augment interoperability and has become the world’s second oldest military and security partnership. They are committed to peace in the region, prosperous global trading system, protect regional economic stakes and keep the South China Sea open as a secure maritime trading area while rendering recovery ops for terrorism and natural disaster incidents and intelligence-sharing. Besides the FPDA, the US is another Asia Pacific stakeholder from the West with a long-established presence.

## VII. SINGAPORE THE US STRATEGIC PARTNER

US allies in East Asia like Australia, Japan, South Korea, Singapore (which prefers to use the word ‘strategic partner’ rather than ‘allies’), the Philippines and Thailand in Southeast Asia depend on the US for their regional security guarantee and economic leadership. A new maritime order is emerging with the US in the leadership pole of the Indo Pacific Command and its four major members (US, Japan, Australia and India) form the core Quadrilateral Security Dialogue or the Quad. Due to the close strategic ties between the four as well as common democratic values, these four countries are known as an ‘alignment’, one step away from and not yet an ‘alliance’. India is also keen on involving ASEAN countries in the Indo-Pacific Strategy. ASEAN Centrality endorsed by India is important in this Indo-Pacific Strategy and Singapore is a member of ASEAN. Indonesia is also keen to promote its own Indo-Pacific vision with ASEAN Centrality. ASEAN recognizes the rule of law, freedom of navigation which serves the US priority of freedom of navigation very well. Japanese naval and Singaporean personnel also strengthened interoperability between the two navies which is enhanced through mutual attendance of courses and military staff talks.<sup>25</sup>

Singapore has also trained with the Indian navy under the auspices of US naval hosts, alongside fellow ASEAN navies like the Philippines. In June 2018, the Singapore navy was part of the Multinational Group Sail battle-ships (Singapore’s 6<sup>th</sup> time) from the Indian Navy, Japan, Philippine Navy and United States Navy (USN) training from Guam to Hawaii in the multinational bi-yearly Rim of the Pacific Exercise (Ex RIMPAC), globally the

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<sup>25</sup> Mindef News Releases, “Singapore and Japan Navies Reaffirm Ties with Passage Exercise and Port Call” dated 22 Aug 2018 in Mindef Singapore [downloaded on 22 August 2018], available at: <https://bit.ly/3FZ8AqX>

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biggest multilateral maritime exercise.<sup>26</sup> Thus, Singapore is doing its part for regional peace in the waters that range from East Asian waters to Guam and to Hawaii, working with fellow ASEAN states and stakeholders to keep the vital sea lanes of communications open and free for trade while advocating a Code of Conduct (CoC).

Singapore's pacifist and responsible position in maritime trade security is lauded by many stakeholders in the system. Singapore was also a participant that witnessed the successful consolidation of all documentation between ASEAN states and China into a single Code of Conduct (CoC) document. Singapore therefore urge all regional players to opt for a peaceful co-existence in the South China Sea (SCS).

### A US STRATEGIC PARTNER AND A STAKEHOLDER IN REGIONAL PEACE.

Essential to peaceful and productive regional and international trade is the presence of the US in enforcing open and free Sea Lanes of Communications (SLOCs). In a recent move, the US Pacific Air Force Command deployed 2 U.S. Air Force B-1B bombers carrying out a Bomber Task Force mission in the South China Sea on 26 May 2020 to demonstrate their flight capabilities, and operability under international law at the schedule and tempo of the USAF (US Air Force)'s decision.<sup>27</sup> The US is determined to remain as an important stakeholder in the region. Singapore is a close strategic partner and enjoys advanced military ties with the U.S. The two militaries have regular exercises together with the access points from Singaporean Changi naval base facilities to support US maritime operations throughout Southeast Asia and Singapore also earned the right to acquire the state-of-the-art F-35 fighter jets while the US is Singapore's largest foreign direct investor and hires 250 000 Singaporeans in the island city.<sup>28</sup> The US's longstanding relationship with Singapore helps to bring peace to the region and the continued engagement of US power in the region. It is this peace effort that underlines regional prosperity.

At the point of this writing, the US and Singapore had just completed their bilateral naval exercise in the South China Sea on 27 May 2020 Wednesday. The Independence-variant littoral combat ship (LCS) USS Gabrielle Giffords

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**26** Mindef News Releases, "Singapore and Japan Navies Reaffirm Ties with Passage Exercise and Port Call" dated 22 Aug 2018 in Mindef Singapore [downloaded on 22 August 2018], available at <https://bit.ly/3FZ8AqX>

**27** Adamczyk, Ed, "U.S. and Singapore join in South China Sea naval exercises" dated 27 May 2020 in UPI [downloaded on 27 May 2020], available at <https://www.upi.com/Defense-News/2020/05/27/US-and-Singapore-join-in-South-China-Sea-naval-exercises/2441590593763/>

**28** Jain, Aarushi, "Singapore: A Small Asian Heavyweight" dated 16 April 2020 in Council of Foreign Relations website [downloaded on 16 April 2020], available at <https://www.cfr.org/backgrounder/singapore-small-asian-heavyweight>

and the Singapore Navy Formidable-class multi-role stealth frigate RSS Steadfast carried out a 2-day flashing light, manoeuvring, large/small-calibre gun shooting and photo exercises with complete social distancing protocols to avoid the infection of the COVID-19 coronavirus pandemic.<sup>29</sup> The LCS USS Gabrielle Giffords is a high-tech vessel that resembles a science fiction craft with its sleek streamlined appearance. It can operate in shallow waters and can navigate the waters very quickly in island-hopping style.

Singapore also has exchanges with the US's closest Pacific ally, Japan. Republic of Singapore Navy (RSN)'s Formidable-class frigate RSS Tenacious armed with a Sikorsky S-70B Seahawk naval helicopter trained with the Japan Maritime Self-Defense Force (JMSDF) Murasame-class destroyer JS Murasame in Yokosuka Japan on 22 August 2018 in communications and manoeuvring drills, mutual ship visits and information sharing on naval aviation.<sup>30</sup> Singapore is therefore a stakeholder in regional peace and security, doing its part to combat potential dangers like piracy, hostile entities and familiarity with all sorts of naval priorities. Both Japan and Singapore are associated with the US military network in the region. In working with the RSS Steadfast, Cmdr. Dustin Lonero, Blue Crew commanding officer reported the two ships showed high tactical proficiency, a productive learning experience, enhanced friendship bonds and augmented professionalism while testing their state of the art weapon systems: USS Gabrielle Giffords' 57 mm gun.50-cal. guns, 30 mm Mk44 Bushmaster guns and Hellfire missiles and RSS Steadfast's Harpoon SSM anti-ship missiles, MBDA Aster anti-air missiles, EuroTorp torpedoes and 76 mm and 12.7 mm guns.<sup>31</sup>

## VIII. CONCLUSION

Singapore's engagement with India, Indonesia, ASEAN countries are certainly examples of its desire to familiarize itself with emerging markets where there are growing numbers of consumers and an emerging middle-class. Singapore is convinced that these emerging markets are locations where economic growth will be fastest in the region or even the world. Therefore, these emerging markets are potentially buffers that can hedge against

**29** Adamczyk, Ed, "U.S. and Singapore join in South China Sea naval exercises" dated 27 May 2020 in UPI [downloaded on 27 May 2020], available at <https://www.upi.com/Defense-News/2020/05/27/US-and-Singapore-join-in-South-China-Sea-naval-exercises/2441590593763/>

**30** Mindef News Releases, "Singapore and Japan Navies Reaffirm Ties with Passage Exercise and Port Call" dated 22 Aug 2018 in Mindef Singapore [downloaded on 22 August 2018], available at [https://www.mindef.gov.sg/web/portal/mindef/news-and-events/latest-releases/article-detail/2018/august/22aug18\\_nr/uvWzv\\_dGRzC2mgUFSHF2pJUOjd0voHT-](https://www.mindef.gov.sg/web/portal/mindef/news-and-events/latest-releases/article-detail/2018/august/22aug18_nr/uvWzv_dGRzC2mgUFSHF2pJUOjd0voHT-)

**31** Adamczyk, Ed, "U.S. and Singapore join in South China Sea naval exercises" dated 27 May 2020 in UPI [downloaded on 27 May 2020], available at <https://www.upi.com/Defense-News/2020/05/27/US-and-Singapore-join-in-South-China-Sea-naval-exercises/2441590593763/>

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anti-globalization forces in the world as well as technological disruptions brought about by Industry 4.0 (with its Artificial Intelligence A.I. and robotics applications that are expected to replace human jobs). Demand for human jobs and economic opportunities in these emerging markets will remain high since they are still experiencing economic fast growth and development.

Singapore is keen to enter economies where growth prospects are still strong. Vietnam is a good example of fast-emerging markets with strong growth. Exchanges are carried out between cities to city as Singapore reaches out to first tier cities in Vietnam like the traditional commercial hub of Ho Chi Minh City. Deputy Secretary of the Ho Chi Minh City Party Committee Nguyen Thi Thu Ha is optimistic about Vietnam-Singapore ties, especially with the Vietnam fair accelerating bilateral trade ties. Ha promises Ho Chi Minh City will help foreign companies' investments and business-related needs in the city as Vietnam showcases their coffee, dragon fruit and seafood products in Singapore's NTUC Fair Price's supermarkets (products that underlined a growth of 30% in exports to Singapore in 2019 including 400 categories of products like garments, machinery, electronic components and farm produce).<sup>32</sup> The National Trade Union Congress (NTUC) is the umbrella organization for many unions located in Singapore. It works closely with the government and the senior management of private sector companies. Together this is known as the 'tripartite' arrangement which has kept Singapore's trade unions harmonious with company management and a stakeholder in the country's economic development.

Besides government exchanges, non-governmental entities are just as important. Even Track II people-to-people exchanges like student internships, exchange programs and tourism are activated to increase exposure of young Singaporeans to the emerging markets in the region even as Singapore remains embedded in the existing economic and trade relations with mature economies like the US and Japan. To augment cross-cultural skills and regional familiarity, the Singapore state intends to expose 70% of Singapore tertiary institutions' graduates to Southeast Asia, China, or India as a component of the new Asia-Ready Exposure programme and also participate in the 2019 Global Ready Talent Programme interning overseas with Singapore companies.<sup>33</sup>

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**32** The Embassy of Socialist Republic of Viet Nam, "Singapore values economic bond with Vietnam official" in The Embassy of Socialist Republic of Viet Nam website [downloaded on 31 May 2020], available at <https://vnembassy-singapore.mofa.gov.vn/en-us/News/EmbassyNews/Pages/Singapore-values-economic-bond-with-Vietnam-official.aspx?p=3>

**33** Chang, Jonathan, "Commentary: The future is Asian but can Singaporeans lead it?" dated 26 Feb 2020 in Channelnewsasia [downloaded on 26 Feb 2020], available at <https://www.channelnewsasia.com/news/commentary/singaporeans-studying-overseas-china-indonesia-vietnam-india-12467844>

These are schemes to ease the transition for young Singaporeans to work in emerging economies in the future, against the backdrop of Singaporean graduates' preferences in working in developed economies. Singapore's labour, human resource talents and workforce will have to get used to working with regional colleagues, teams and counterparts as Singapore's multinationals' operational headquarters (OHQs) and regional head office status means they will work with cross-cultural and transboundary teams to support the regional business networks. They will need to get out of the comfort zone and get used to working and residing in exciting new conditions.

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