

**KEYNOTE SPEECH BY MS LOW YEN LING, PARLIAMENTARY SECRETARY,  
MINISTRY OF TRADE AND INDUSTRY AND MINISTRY OF EDUCATION, AT THE  
SPAIN-SINGAPORE BILATERAL BUSINESS MEETING, AT  
INTERCONTINENTAL SINGAPORE, ON 21 NOVEMBER 2016, 10.20AM**

Your Excellency Ambassador Miguel Navarro,

Mr Francisco Javier Garzon, CEO of ICEX Spain Trade and Investment,

Mr Barry Desker, Singapore's Ambassador to Spain,

Distinguished Guests,

Ladies and Gentlemen,

**Introduction**

1. Good morning. I am pleased to join you today for the Spain-Singapore Bilateral Business Meeting.

**Singapore and Spain share robust and longstanding ties, underpinned by strong trade and investment flows.**

2. Spain and Singapore have come a long way since we established diplomatic relations in 1968. Over the years, we have substantially deepened our bilateral linkages, with regular exchanges across political, economic, and cultural spheres.

3. Economic cooperation remains a key pillar of our bilateral relationship. We share strong economic ties underpinned by growing trade and investment flows. Spain is Singapore's ninth largest trading partner in the EU, with bilateral trade amounting to S\$1.6 billion in 2015. Two-way investment flows totalled S\$319 million as of end-2014, a figure that is steadily rising by the year.

4. Singapore plays host to more than 200 Spanish companies, one of the largest concentrations of Spanish businesses in the region. Spanish companies here are involved in key sectors such as info-comms and technology, energy and chemicals, as well as construction and infrastructure. They have lent their expertise and technological know-how to Singapore, and many have found success in partnering our local companies.

5. Earlier this year, Spanish company Tedagua partnered Singaporean firm HSL Constructor in a successful tender bid to design and build Singapore's third desalination plant at Tuas, in the western part of Singapore. Tedagua was behind HSL's design solution and is a key player in the delivery of that solution.

6. The trust between our businesses and confidence in one another's capabilities are key ingredients for such fruitful collaborations. I would like to encourage Spanish and Singaporean companies to continue to leverage their complementary strengths and forge more of such successful partnerships.

**ASEAN's growth potential presents abundant opportunities for our businesses.**

7. Today's event is timely in light of the growing opportunities in this part of the world.

8. The growth outlook for the Association of Southeast Asian Nations (ASEAN) remains resilient despite anaemic global economic conditions. This is a result of the region's strong economic fundamentals. In the last decade, ASEAN grew at an average of 6% compared to the global average of 4%.

9. Analysts have projected that ASEAN could become the world's fourth-largest economy by 2030 (after the EU, US, and China), and that ASEAN's combined GDP could rise more than fivefold to US\$10 trillion by 2030. With a rising middle class, significant natural resources, and rapid urbanisation, ASEAN's growth potential is compelling. Already, we are seeing significant growth and expansion across diverse industries such as textiles and apparel, electronics, ICT, and medical devices.

10. At the same time, ASEAN is becoming increasingly integrated. The establishment of the ASEAN Economic Community (AEC) in December 2015 has transformed the region into a competitive single market and production base. Virtually all goods flow through the ASEAN region tariff-free under the ASEAN Trade in Goods Agreement. There would be greater trade and investment prospects in the coming years, guided by the AEC Blueprint 2025, as numerous telecommunications and IT infrastructure projects promote greater connectivity within the region.

11. ASEAN is also integrating with the global economy and playing an increasingly important role in global value chains. This presents significant opportunities for our businesses. ASEAN is negotiating the Regional Economic Comprehensive Partnership, or RCEP, with its six existing Free Trade Agreement (FTA) partners. This 16-party agreement covers around 45% of the global population and accounts for more than a third of global GDP. RCEP will be the world's largest free trade deal and represents a step towards the vision for a Free Trade Area of the Asia-Pacific.

**Singapore is an ideal base and natural partner for Spanish companies looking to tap on growing markets in ASEAN.**

12. Located at the heart of a growing ASEAN, Singapore is attractive to global companies as a base for their regional operations.

13. Global businesses will find it easy to operate in Singapore. This is not only because of our sound legal and regulatory environment, but also because Singapore is consistently one of the easiest countries in the world to conduct business.

14. Singapore also has a network of 20 FTAs with 31 trading partners that gives companies preferential access to global markets. This would be further enhanced once the EU-Singapore Free Trade Agreement (EUSFTA) is ratified. As a pathfinder FTA for the EU with ASEAN, the EUSFTA will be an important catalyst for the EU to stay engaged in this fast growing and integrating region.

15. They are more than 11,000 European companies in Singapore and many of them use Singapore as a gateway to the region. Many also test-bed their innovative solutions here before scaling up for the wider regional and global market. Notably, Spanish firm Amadeus, an IT solutions provider for the travel and tourism sectors, has its regional headquarters here to tap on the growing tourism sector in ASEAN. Amadeus is also leveraging Singapore's digital and data-analytics eco-system to boost its software capabilities.

16. ASEAN remains a region with diverse cultures and differing levels of economic development. Companies venturing into new markets often face challenges such as financial risks and cultural differences. Having a reliable partner who is familiar with the market can help mitigate some of these risks. With decades of experience navigating the region, Singaporean businesses are natural partners and interlocutors for foreign businesses looking to expand into a diverse ASEAN.

17. We hope more Spanish businesses will anchor their operations here and partner Singaporean firms to enter ASEAN and the broader Asian market.

### **Conclusion**

18. In Singapore, you will be well-placed to tap on the many opportunities in growth sectors such as smart urban solutions, environment and water, as well as information technology. Our agencies and businesses will be able to partner you to trial technologies here before implementing them on a larger scale. My colleagues from the Economic Development Board (EDB), International Enterprise (IE) Singapore, Public Utilities Board (PUB), and Land Transport Authority (LTA) will share more on such opportunities later. I trust that their presentations will serve as good reference points in your discussions this morning.

19. On this note, I would like to thank the Spanish Embassy and ICEX for organising this timely and meaningful event to bring our businesses closer together.

20. I wish you all a fruitful and productive discussion today. Thank you.

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