

**MESSAGE BY MADAM HALIMAH YACOB
SPEAKER OF THE PARLIAMENT OF SINGAPORE
AT MEXICO'S SENATE OF THE REPUBLIC
26 APRIL 2017, WEDNESDAY, 12.15 PM (MEXICO TIME)**

Excellency, Mr Pablo Escudero, President of the Senate of Mexico. Honourable Senators.

2 Thank you for your warm welcome. It is an honour for me to visit Mexico and I am grateful to His Excellency Mr Escudero for his invitation. And on behalf of the Parliament of Singapore, I wish to extend our warmest greetings to:

- Senator Fernando Herrera Avila, party leader of the National Action Parliamentary Group or P.A.N.,
- Senator Emilio Gamboa Patron, party leader of the Institutional Revolutionary Parliamentary Group or P.R.I,
- Senator Maria de los Dolores Padierna Luna, party leader of the Democractic Revolutionary Parliamentary Group or P.R.D,
- Senator Carlos Alberto Puente Salas, party leader of the Ecologist Green Parliamentary Group or P.V.E.M,
- Senator Manuel Bartlett Diaz, party leader of the Labor Parliamentary Group or P.T.

And to all Senators. Warmest greetings from Singapore.

3 Many of us may not be aware, but Mexico and Singapore established diplomatic relations in December 1975, just 10 years after Singapore gained its independence. So we have shared a bond of friendship for over 40 years.

4 If we pause to think about it, it is truly amazing. Our two countries are located at opposite ends of the Pacific Ocean. We are separated by a distance of more than 16,000 kilometres. We are separated by geography, by history, by culture and by language. And yet, here we are – over 40 years of friendship. This is something precious and worth celebrating.

5 Mexico is an important friend and a priority market for Singapore in the Latin American region. I am glad there is healthy dialogue and communication at the very top levels of our political leadership. Singapore's President Dr Tony Tan made a State Visit to Mexico last year and Singapore's Prime Minister Lee Hsien Loong met the President of Mexico at the APEC Economic Leaders' Meeting in Bali in October 2013.

6 There are more than 40 Singapore companies which have a presence in Mexico, including investment firm Temasek Holdings, hotel and properties group Banyan Tree, agri-business firm Olam International and shipping and container manufacturing company Pacific International Lines.

7 As for our legislatures, I have been able to meet legislators from both the Mexican Chamber of Deputies and the Senate of Mexico. In our dialogue, we have many points of agreement on our commitment to continue building links between our legislatures. This augers well for even stronger relations between Mexico and Singapore, which is an important partnership.

8 We are indeed facing many challenges today. Global developments in 2016 have upended some of our previous assumptions and are challenging us to think of new ways of doing things. However, our basic principles should remain the same. In order for everyone to prosper, we need to remain open, transparent and with clear international rules guiding us.

9 As a trade-dependent and very open economy, Singapore's economic sustainability is affected by global developments, near and far. So Singapore watches global events with keen interest – the Brexit process in the UK, elections in the Eurozone, adjustments in the new US administration's policies. We pay close attention.

10 Singapore knows that as a small city state, isolation and protectionism is not an option for us. So we continue to reach out and to build ties. Singapore believes that creating a harmonious,

multi-cultural, fair and more tolerant world has become more crucial than ever.

11 I believe our concerns are not unfounded. Earlier this month, the International Monetary Fund or IMF released its latest semi-annual World Economic Outlook report.

12 While it revised the global growth forecast for this year upwards to 3.5%, the IMF also warned of "significant downside risks" to this forecast. What are the risks? Among them, and I quote, "the turn towards protectionism, leading to trade warfare". Of particular concern, it said, was (a) the rolling back of financial regulations that were put in place to strengthen the financial systems after the 2008 global financial crisis, (b) pulling away from the multi-lateral trade trading systems and (c) restricting immigration.

13 In Singapore, we, too, have been watching the rise in anti-globalisation sentiments in Europe and the US. We think that if protectionist approaches become the norm, or if a trade war between major economies ensues, then global trade will be adversely affected. There will be knock-on effects on economic growth worldwide. We know that open economies like Singapore are especially vulnerable.

14 Our Parliament, together with our Government, is mindful that protectionist barriers to trade will curtail Singapore's ability to tap on demand in export markets. This will have an adverse impact on our economy, since two-thirds of our gross domestic product is driven by external demand.

15 Over the years, our Parliament has endorsed our Government's efforts to build up our connectivity with multiple regions across the world. We have also maintained an efficient, stable, pro-business environment, with effective and consistent business and investment frameworks. This allows us to tap on growth opportunities anywhere in the world for mutual benefit with like-minded partners.

16 Thus, we are clear that amidst the current rise of anti-trade sentiments, Singapore will and must stay the course to remain open and connected to the global economy. We support our Government's commitment to pursuing a rules-based global trading system and achieving greater regional integration.

17 Singapore continues to believe in the value of the Trans-Pacific Partnership (TPP). The US' withdrawal from the TPP was a setback for the global trade liberalising agenda, but it need not be the ultimate outcome.

18 In the past few months, each one of the 11 TPP partners has been examining the options ahead. We need to explore creative ways to harvest the TPP's benefits in a timely manner.

19 In addition to consulting with other TPP partners to find a mutually beneficial pathway forward, Singapore is also engaged in other regional integration initiatives, such as the ASEAN Economic Community or AEC and the Pacific Alliance.

20 ASEAN in our part of the world refers to the Association of Southeast Asian Nations. This groups together 10 economies in the Southeast Asian region.

21 Our aim for the ASEAN Economic Community or AEC is to integrate Southeast Asia's diverse economies into a single huge market with a combined population of over 620 million people and combined gross domestic product of about US\$2.5 trillion.

The process of integration started in 2015. If all 10 ASEAN member economies worked hard and diligently to fulfil the visions and goals set out for the AEC, ASEAN as a combined single economy, is forecast to become the fourth largest economy in the world by 2030.

22 As for the Pacific Alliance, we note that Mexico is a founding Member of the Pacific Alliance. The Alliance current members are Mexico, Chile, Colombia and Peru and represents a market

of about 218 million people and a combined gross domestic product of US\$3.8 trillion.

23 Singapore was granted Observership status in the Pacific Alliance in February 2014. Singapore and the Pacific Alliance members share a common pro-trade outlook. Our trade with the Pacific Alliance members reached US\$3.7 billion in 2016, and trade with Mexico comprised 82% of the total. There is so much potential to grow this further.

24 I wish to assure the Senate that Singapore attaches considerable importance to being Observer in this Alliance and we are committed to being a useful partner for the Pacific Alliance. We are committed to developing external economic links and remaining open to world trade. We know that this is the approach we need to adopt in order to take Singapore's economy into the next phase of growth, into the future.

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25 We plan for the future assiduously. In January 2016, the Singapore Government formed a Committee on the Future Economy. After one year of deliberation, the 30-member Committee, led by our Finance Minister, announced in February this year, seven strategies that will take the Singapore economy into the next lap.

26 These strategies include (a) deepening and diversifying our international connections, (b) strengthening our companies' enterprise capabilities so that they can grow and scale up, (c) building strong digital capabilities and (d) building partnerships to enable growth and innovation.

27 In March this year, Singapore Parliament debated on these strategies and other medium- to long-term policy plans during our Budget and Committee of Supply sessions. We endorsed the Government Budget that will ensure Singapore invests in the required effort to implement the recommended strategies successfully to transform our economy. The future will be exciting.

28 To make sure our labour-force is ready for this exciting future, Singapore Parliament supported the Government's launch of a national initiative called the SkillsFuture movement in 2014 to develop an integrated system of education, training and career progression. Our aim is to, on the one hand, promote industry support for the training of their employees, and on the other hand, encourage individuals of all ages to develop deep skills or new skills as they move along in their career or to help them move into second careers and jobs of the future.

29 There are many initiatives under SkillsFuture, one of which is SkillsFuture Credit, where we give \$500 in credit to all

Singaporeans aged 25 years and above, and this can be used to offset the cost for them to attend any of the over 18,000 training courses on the list.

30 Singapore's labour group, the National Trades Congress Union or NTUC, has also started a new Future Jobs, Skills and Training unit this year to gather data on specific companies and industries where new investments and jobs will be over a three-year time frame. The research will be shared with training providers and institutes of higher learning that can use the information to develop more relevant skills and training courses.

31 In conclusion, while Singapore is watching global developments closely, we are also planning actively. We remain committed to building bridges with like-minded partners. As an open and trade-dependent economy, we agree with the IMF when it said that hundreds of millions of people have been lifted out of poverty through economic integration and technological progress.

32 However, studies through the years have also shown that the benefits of growth as well as the burden of economic adjustments have been shared unequally. This pushes us as legislators and parliamentarians to call on our governments to address head-on such disparities, especially in income inequality, with policies aimed at building social cohesion and

ensuring equitable distribution of resources. As parliamentarians, we owe a duty to our people to speak up for them.

33 Singapore is a young nation – we will celebrate our 52nd year of independence come August this year. We always look to those from whom we can learn. Mexico is a country that has a far, far longer and richer history than Singapore. So we look to learn from you. We are heartened by the wise words of your former President, Mr Benito Juarez, who said, "Between individuals, as between nations, peace means respect for the rights of others."

34 As we move ahead in this challenging world, let us always remember respect. As long as we focus on respecting our fellow men, and women, there remains hope for our shared future. President of the Senate, honourable Senators. Muchas Gracias.

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