

Singapore Government

PRESS RELEASE

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OPENING ADDRESS BY MR MOHAMAD MAIDIN BIN PACKER MOHD, PARLIAMENTARY SECRETARY FOR
EDUCATION AND PA BOARD MEMBER AT THE FIFTH MESRA NATIONAL EDUCATION SEMINAR FOR
MALAY COMMUNITY LEADERS TO BE HELD ON 8 MAY 1999 AT 2.30 PM AT THE PA AUDITORIUM

REGIONAL PEACE FOR ECONOMIC GROWTH

Parliamentary colleagues,

Ladies and gentlemen,

MESRA has been organising national education seminars bi-annually to enhance Malay community leaders' awareness of the challenges, responsibilities and duties of Singaporeans in a multi-racial society. The theme for today's seminar, "Regional Peace and Stability for Continued Growth", is particularly relevant as Malay community leaders should understand that regional peace including cordial bilateral relations will provide a conducive climate for economic growth.

Regional Economic Conditions

2 The Asian region has undergone a tumultuous period. Currencies plunged in value, banks and businesses went burst and there was high unemployment and retrenchments. These economic problems led to social and political upheavals.

3 The International Monetary Fund and Singapore political leaders have declared that the worst of the Asian economic crisis is over.

4 Singapore has also suffered from the economic crisis but it suffered less than others. Despite the gloom and doom, Singapore port, airport and subordinate courts have been rated the best in the world. Singapore has also been rated least corrupt and more liberal in business. We have also maintained our position as the second most competitive country in the world (Transparency 1).

5 Our first quarter economic performance has shown improvements in the electronics industry and there have been fewer layoffs. Singapore is on track to secure its targeted \$7.5 billion of new investments for the year (Transparency 2).

6 Our neighbours have chalked up some economic improvements. Fitch International Bank Credit Agency (IBCA) has raised Malaysia's sovereign credit rating to "investment grade". Standard and Poor's and Moody's have also raised Malaysia's outlook from "negative" to "stable". The credit agencies have complimented Malaysia on its efforts to relax capital controls.

7 Fitch IBCA has also raised Indonesia's currency rating to "stable". The Indonesian rupiah has strengthened to around 8,000 rupiah to US\$1.

Importance of Strong Ties

8 As economic conditions begin to improve in the region, it is timely for us to bring peace and stability back in the region. We should try to improve ties and work together with countries in and outside Southeast Asia to accelerate the pace of regional economic recovery. The reputation of having cooperative and peaceful neighbours among Association of South East Asian Nations (ASEAN) countries will reflect positively on our region. Investors will be attracted to peaceful regions as they are assured of the safety of their workers and infra-structure and would be able to conduct their business with greater ease. They would face less barriers in travel, transfers of funds and movement of capital goods between neighbouring countries which enjoy cordial ties.

9 The development of harmonious relations between countries in the region will also foster greater trade between the countries within the region and between us and other regional groupings such as the European Economic Community and the Americas. The foreign trade partners will have greater confidence in working with a strong and united regional grouping like ASEAN.

10 Countries in this region can reap significant benefits from having strong relations among each other. Strong relations among countries in the region will foster cooperation. Countries can leverage on each other's strengths. There can be

specialization in production of goods and services between countries. This would cut down duplication and unnecessary competition.

11 Cordial relations will enable the region to have higher bargaining power as a group. It creates a win-win situation.

12 ASEAN should strive to strengthen its intra-regional cooperative ties so that its economy can recover faster.

Singapore's Relations with Malaysia

13 I would like to focus on Singapore's ties with Malaysia and Indonesia.

14 Singapore's relations with Malaysia have improved after a bumpy period last year. For example, Datuk Seri Dr Mahathir Mohamad expressed confidence in having "smoother" ties between Malaysia and Singapore when he was in Davos in January (Transparency 3). Malaysian Foreign Minister, Datuk Syed Hamid Albar said repeatedly that he was interested in having better ties with Singapore. He would give priority to building ties with Singapore (Transparency 4). In the meantime, officials from Malaysia and Singapore have also been meeting quietly to resolve outstanding issues (Transparencies 5-6).

15 There is great potential for Singapore to develop very strong friendship and business ties with Malaysia as we are linked by long-standing historical, kin, friendship and business ties. Singapore will strive to have better relations with Malaysia based on mutual benefits, equality and respect for each other's sovereignty.

Singapore's Relations with Indonesia

16 Singapore has been helpful and friendly towards Indonesia despite some setback in the relationship following the resignation of President Suharto. Malay political leaders and voluntary groups in Singapore reacted strongly to President B J Habibie's statement on the lack of senior Malay officers in the SAF (Transparencies 7 - 9). However, other Indonesian leaders have been positive towards Singapore.

17 We wish Indonesia a successful general election on June 7. We will continue to do our best to strengthen bilateral ties with Indonesia and ASEAN solidarity. We are confident that Singapore will enjoy a productive relationship with Indonesia based on mutual benefit, equality and respect for each other's sovereignty.

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