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Singapore Government

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OPENING ADDRESS BY MINISTER FOR FOREIGN AFFAIRS,

PROF S JAYAKUMAR AT THE SINGAPORE-INDIA COLLOQUIUM ON

19 AUG 99 AT 9.30 AM AT SEMINAR ROOM B, SHAW FOUNDATION BUILDING, NATIONAL
UNIVERSITY OF SINGAPORE

Deputy Vice Chancellor, Prof Shih Choon Fong

Dean of the Faculty of Arts and Social Sciences, Prof Tong Chee Kiong,

Mr N N Vohra, Director of the India International Centre,

Distinguished Guests, Ladies and Gentlemen

National Archives of Singapore

It gives me great pleasure to be here with you this morning for the opening of the Singapore-India Colloquium on "The Management of Globalisation".

Two years ago, our region was hit by its worst financial crisis. Almost overnight, the double digit growth and steadily rising incomes of several East Asian economies disappeared. The effects of the crisis were quickly felt in other parts of the world. Such an impact actually testified to the fact that today's economies are very much inter-linked and interdependent. It also focussed the world's attention on the risks associated with globalisation and the need to manage it. I,

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therefore, commend the initiative of the National University of Singapore in holding discussions on this very timely and relevant topic with our friends and colleagues from India.

Globalisation is the integration of capital, technology and information across national borders, in a way that is creating a single global market. Globalisation is not just a phenomenon nor just a passing trend. Many scholars consider it the international system that replaced the Cold War system. If the symbol of the Cold War era was the Berlin Wall, they say that the symbol of globalisation is the Internet. Technology has virtually eliminated time and space. We are now connected with everyone around the world through a telephone line and a modem. The problem is not all countries are ready for this age of high-tech and fast-speed interaction and transaction. Consequently, many economies are not fully benefiting from this global development. This resulted in fears of job loss, erosion of indigenous culture and traditional values, and even a diminution of the sovereign status of individual nations.

Because of this, disillusionment with the market system has grown in some countries, especially in the light of the recent financial crisis. We may see countries resorting to protectionist measures in attempts to counter the effects of globalisation. However, as history has shown, erecting protectionist walls is futile and only serves to harm the countries that attempt it. Unplugging from the global system denies a country the inflow of capital and the transfer of technology and know-how that are necessary for its growth and development. In short, a retreat from globalisation is not the solution.

What the financial crisis has shown is that there is a need for certain standards in corporate governance. There must also be effective supervision of the financial system and sound macroeconomic and financial policies that can withstand market scrutiny. This is especially so in an environment of globalised financial markets, which can react instantaneously and sometimes devastatingly to perceived weaknesses. This is evident in a small country like Singapore, which has an open economy and is highly dependent on international trade and international economic co-operation. To grow, we have had no choice but to plug into the world economy. While Singapore was also affected by the crisis, our sound economic and financial systems have enabled us to weather the storm much better.

Distinguished Guests,

Ladies and Gentlemen,

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This Colloquium, which engages speakers from the India International Centre in New Delhi and the National University of Singapore, is in my view, an excellent move. The India International Centre has a distinguished record of encouraging dialogue and bringing together informed students of public affairs and those experienced in policy-making. The Centre's very distinguished delegation, which is here with us today, exemplifies that tradition very strongly. We are pleased to welcome the members of the delegation, led by Mr N N Vohra, the Director of the India International Centre, to Singapore.

India and Singapore have a long historical relationship. These links go back to the days of British colonial rule. We share many common legacies, especially in the administration of justice and the Civil Service. While we have both developed greatly since those colonial days and have made our own ways as independent nations, we still share many common concerns. India's role as a dialogue partner of ASEAN and its membership in the ASEAN Regional Forum (ARF) have strengthened its relationships with Singapore and the rest of the region. Besides encouraging co-operation, the dialogue at the ASEAN and ARF forums has led to deeper friendship between our two countries and our regions.

Economic links between Singapore and India are strong. The reform of the Indian economy since 1991 has been an important impetus in this strengthening of our economic relations. Two-way trade between Singapore and India stood at over S\$5 billion in 1998. India is one of the fastest growing markets for Singapore and there was an encouraging 24 per cent growth rate in our exports to India last year. Cumulative Singapore investments into India from 1991 to 1998 stood at S\$1.3 billion. We can expect more collaboration in the future and this will no doubt be aided by the globalisation process.

Above all, people-to-people contact is in my view essential to fully develop the dynamics of our relationship. Thus, the expansion of our ties to the cultural and academic spheres is most welcome. The Colloquium builds on these links. Discussions between our scholars and writers, public figures and thinkers from major academic institutions will certainly go a long way toward contributing to the development of a broad-based foundation to buttress bilateral political and economic ties. The new Programme in South Asian Studies of the National University of Singapore, which you have heard from Professor Reeves, is a right step in that direction. Tertiary students in Singapore will now be given the opportunity to gain an in-depth understanding of the history and cultures of the South Asian region. In turn, there would be better knowledge and appreciation of developments in South Asia. I would like to compliment the Programme's role in organising this Colloquium. The interactions and deliberations of the Colloquium will have an impact, I am sure, on strengthening the healthy and positive ties between our two countries.

In conclusion, let me again wish the Colloquium every success in its deliberations. I am pleased to declare the proceedings officially open.

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