

Push for open trade is a "shared-responsibility": PM Lee

By Wong Siew Ying and Tan Qiuyi

POSTED: 07 Oct 2013 18:44

The push for open trade is a "shared-responsibility" and Singapore Prime Minister Lee Hsien Loong urged APEC member economies to continue to support free trade or risk "significant negative consequences".



Singapore Prime Minister Lee Hsien Loong at the Asia Pacific Economic Cooperation CEO summit. (AFP PHOTO / ROMEO GACAD)

NUSA DUA: The push for open trade is a "shared-responsibility" and Singapore Prime Minister Lee Hsien Loong urged Asia-Pacific Economic Cooperation (APEC) member economies to continue to support free trade or risk "significant negative consequences".

Addressing the leaders of APEC's 21 Pacific Rim members at their opening retreat in Bali on Monday, Mr Lee also urged members to work with one another to seek good outcome at World Trade Organisation's 9th Ministerial Conference in December.

The theme of the retreat session was "APEC's Role in Strengthening the Multilateral Trading System in the Current Global Economic Situation".

Accounting for 40 per cent of the world's population and over half of global GDP, Mr Lee said APEC could make an important contribution.

Mr Lee encouraged the 21 APEC member economies to support the multilateral trading system -- a "precondition for global growth and prosperity".

He said any wavering in the commitment of APEC economies to support free trade can have significant negative impact on the global economy.

Mr Lee urged the grouping to keep to its targets. These include the Bogor Goals agreed in 1994, which set a deadline of 2020 to achieve free and open trade and investment for all member economies.

Mr Lee added that individually, countries should maintain open borders and reduce non-tariff barriers.

Collectively, bilateral and regional free trade agreements could eventually pave the way for wider free trade agreements (FTAs) for the Asia-Pacific and beyond.

Mr Lee said: "In the absence of a comprehensive agreement, (we can) pursue bilateral and regional FTAs, for example, the Trans-Pacific Strategic Economic Partnership, the Regional Comprehensive Economic Partnership, the Pacific Alliance -- that can be building blocks towards an eventual FTAAP and beyond."

Some observers said Singapore would benefit.

Associate Professor Annie Koh, vice president of business development and external relations at Singapore Management University, said: "Singapore is actually a little port and 95 per cent of our traffic is trans-shipment. The more plugged in we are to alliances and agreements, it makes us very connected and attractive to the big markets.

"In fact, most of the businesses are actually going to look at total cost and total productivity. If you have great alliances, it brings down the barriers. I see all these alliances as a fantastic opportunity for our small and medium enterprises."

Mr Lee also met business leaders of the APEC Business Advisory Council (ABAC) on Monday where they discussed issues such as trade and services liberalisation and APEC's role in providing confidence and certainty to businesses.

The Singapore Business Federation said the commitment from leaders to push for economic integration bodes well for the future.

Singapore Business Federation CEO Ho Meng Kit said: "I get a sense listening to PM (Lee) that if all of us hold fast to those principles and get our own house in order and get cooperation across border in order, then Asia Pacific is going to be a very, very interesting place for us in the future."

Mr Ho added that it is also reassuring that leaders have committed to provide a friendly environment for businesses.

He said: "I was happy to hear at least in the discussion group that I was in with leaders from Singapore, from the Philippines, Japan -- they are very committed to make sure that in their own domestic environment they are not going to surprise businesses.

"They are not going to subject businesses to excessive regulatory risks and changes, and to make their rules as transparent as possible."

Mr Ho was participating in a discussion at the ABAC dialogue.