

Interview with Hon. Lui Tuck Yew, Ambassador of Singapore to Japan

Cooperation Between Singapore & Japan Contributing to Asia-wide Regional Governance

By Japan SPOTLIGHT

Singapore has consistently been an ardent advocate for free trade, and is one of the founding members of the TPP. With the recent conclusion of the TPP11, we interviewed Hon. Lui Tuck Yew, ambassador of Singapore to Japan, by email. His responses to our questions are as follows. (Responses received Feb. 5, 2018)

Introduction & Assessment of Singapore-Japan Relations

JS: Could you please briefly introduce yourself, in particular your working relations with Japan? For example, have you worked in Japan or been working on any foreign policy issue related to Japan?

Lui: I started my career in the Republic of Singapore Navy before taking various positions in government and entering politics. I presented my credentials to His Majesty the Emperor on July 19, 2017, shortly after arriving in Japan.

JS: What do you think about relations between Singapore and Japan in recent years?

Lui: Singapore and Japan enjoy excellent bilateral relations, underpinned by a shared strategic outlook and complementary interests in many areas. In 2016, Singapore and Japan commemorated the 50th anniversary of bilateral diplomatic ties, or SJ50. SJ50 was an important milestone to reflect what our two countries have achieved together over the past half century. Our economic ties are robust. Japan is one of our major trading partners, with bilateral trade of S\$51.8 billion in 2017. Japan is Singapore's third-largest investor, while Singapore is Japan's top Asian and fifth-largest investor. There are close to 5,000 Japanese corporations operating in Singapore. Singapore companies also have a growing presence in Japan and are venturing into new areas of opportunity such as food and lifestyle services.

Our people-to-people exchanges have been growing steadily. There are close to 40,000 Japanese expatriates living and working in Singapore, while Japan is one of Singaporeans' favorite travel destinations. On cultural and student exchanges, we have a reciprocal student homestay program. Singapore has been actively participating in the Japan Exchange and Teaching (JET) Programme: the latest cohort of JET participants includes 38 Singaporeans. We are also growing our ties with various Japanese prefectures.



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Assessment of International Trade Including the CPTPP

JS: In our view, Singapore has always been supportive of free trade. In this regard, how do you assess the recent conclusion of the TPP11 or the CPTPP (Comprehensive and Progressive Agreement for Trans-Pacific Partnership)?

Lui: Following the withdrawal of the United States from the TPP in January 2017, Japan played a leading role in the collective efforts of the remaining TPP parties to reach an agreement on the core elements of what has now been rebranded as the CPTPP. Given the diversity and varying interests of all our countries, it was a

significant achievement that the 11 parties stayed united and concluded the negotiations on Jan. 23, 2018. Singapore is heartened by this outcome, which reflects our strong commitment to the collective goals of greater trade liberalization, regional economic integration, and better opportunities for our people. These characteristics are key to unlocking the benefits of the original TPP. With its high standards and 21st century rules, the CPTPP will transform the region by creating more seamless flows of goods, services, and investment. Singapore is now working closely with the other members to finalize the agreement and prepare the text for signature.

JS: What do you think about the recent developments in other mega-regional FTAs, such as the RCEP which is still short of conclusion or the EU-Japan FTA officially concluded?

Lui: Singapore shares Japan's vision of a high-quality RCEP agreement. Due to the complexities of the agreement, negotiations have taken longer than expected. The RCEP parties need to balance the sensitivities and political constraints of each party, and find common landing zones. This is challenging given that not all RCEP parties have FTAs with each other. Nevertheless, it is imperative that we accelerate the pace of negotiations and work towards a high-quality and comprehensive RCEP in order to bring tangible benefits to our

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businesses and citizens, and show the world that the region is confident in our economic future. As ASEAN chair in 2018, Singapore is fully committed to pushing negotiations forward.

JS: Do you think those positive developments in FTAs could work to mitigate rising protectionism?

Lui: Countries are operating in a volatile international environment, with a rising tide of rhetoric and sentiments against globalization and economic integration. Nativist politics and protectionist economics are also growing in strength. However, closing off our borders and turning inwards are not the appropriate solutions for the challenges we face. Greater cooperation amongst economies and keeping markets open are still the best ways to boost growth and create jobs, complemented with policies that foster inclusive growth. Therefore, it is important that we press on with economic integration by concluding plurilateral and regional FTAs such as the CPTPP, RCEP and Japan-EU EPA, as well as upgrading existing agreements such as the ASEAN-Japan Comprehensive Economic Partnership (AJCEP). We are pleased to have completed negotiations on the Protocol to Amend the AJCEP, and hope that all parties conduct their necessary domestic procedures so that the protocol can be signed at the earliest opportunity this year. In addition, bringing the Japan-Singapore Economic Partnership Agreement (JSEPA) up to date would not only benefit Japanese and Singaporean businesses, but also have a catalytic effect on other FTAs.

JS: There are many Asia-wide regional governance venues such as APEC, ASEAN, EAS etc. Among them, what do you think about APEC in particular? Do you think it works well or will it need some improvement?

Lui: APEC member economies share the common belief that growth can be achieved through greater economic cooperation and integration, by lowering barriers and promoting greater flows of trade, people and businesses across the Asia-Pacific. We have made significant progress over the last two decades. Tariffs have fallen considerably and there are significant improvements in the ease of doing business and supply chain connectivity. APEC's total trade expanded over seven times from 1989 to 2012, and APEC's real GDP increased from US\$19 trillion in 1989 to US\$42 trillion in 2015.

The non-binding nature of APEC discussions has been key as it allowed for more open dialogue and bolder aspirations among the members. It is important that APEC remains an incubator of ideas and an engine for innovation. In that spirit, one emerging trend that APEC can look into is how to empower a digital economy while ensuring that there are sound domestic policies to help businesses and workers adjust and innovate. APEC should also continue to pursue its regional economic integration initiatives with the Free Trade Area of the Asia-Pacific (FTAAP) as its eventual aim.

Singapore-Japan University Student Exchanges

JS: The National University of Singapore is one of the best Asian universities. Good Japanese students are

today thinking about studying at universities abroad. Does the NUS or Singaporean government work on attracting foreign students there?

Lui: We have been steadily growing our tertiary education sector in Singapore over the last few years, making it more diverse. In this regard, our universities have always sought to attract good international students. The diversity of cultures and backgrounds adds to the richness of the student experience. Students have to learn to work with classmates from different cultures, pick up soft skills, and adjust to a more open and diverse environment. Given Singapore's interconnectedness with the rest of the world and the global economy, these are key attributes and skills for our graduates.

JS: What do you think can be done to increase student exchanges between Singapore and Japan? Do you have any request to Japanese universities for creating a good educational environment?

Lui: Ties between Singaporean and Japanese institutes of higher learning are well established, and include activities such as student exchanges and research collaborations. The Nanyang Technology University, for example, concluded a Memorandum of Understanding with the Tokyo Institute of Technology in 2016 to conduct joint research and technology development in the fields of environmental engineering and new molecular chemistry. We welcome the development of further connections between our institutions.

Contributing to Asian Dynamism

JS: What is your outlook for relations between Singapore and Japan against the background of a changing Asian political economy?

Lui: Asia will continue to grow and become increasingly interconnected as technological advances inevitably bring us closer together. Given our shared perspectives and longstanding partnership, I am confident that Singapore and Japan will continue to work together to advance bilateral and regional growth and prosperity.

Some of the common challenges that Asia will face in the coming years include keeping our region open and ensuring that our citizens continue to enjoy the equitable benefits of free trade. To this end, Singapore welcomes Japan's leadership on regional initiatives such as the CPTPP.

In 2019, Japan will host the G20, which is the premier multilateral forum to promote international financial cooperation. This will be a useful opportunity for Japan to bring the important agenda of open trade and financial stability to the G20, as well as reflect the concerns and aspirations of smaller Asian economies. Singapore looks forward to supporting Japan's G20 presidency as we have done with past presidencies, and to contributing to the discussions on these important issues.

JS

Formatted by Naoyuki Haraoka, editor-in-chief of *Japan SPOTLIGHT* & executive managing director of the Japan Economic Foundation (JEF).