

**MINISTER CHAN CHUN SING'S KEYNOTE SPEECH
AT EUROPEAN CHAMBER OF COMMERCE (EUROCHAM) ANNUAL GENERAL
MEETING (AGM)
29 APR 2021, 5.10PM, GRAND HYATT SINGAPORE**

Introduction

1. A very good afternoon.
2. Thank you Federico and Ambassador Barbara Plinkert, for your insightful sharing.
3. Thank you also to the European Chamber of Commerce (EuroCham) for inviting me to speak at your Annual General Meeting.
4. This year, we are all grappling with significant uncertainties. Geopolitics, rapid technological disruptions, climate change and of course the COVID-19 pandemic.
 - a. Where political tensions and the geopolitical technology race have already sparked off a relook of the rules-based trading system and our global economy, even prior to the COVID-19 pandemic.
 - b. The COVID-19 pandemic has accelerated the re-think of many of these dimensions of trade and global production. Many countries have turned inward, adopting protectionist and anti-globalisation policies. This is because not all businesses and their people have been able to benefit from globalisation. So, governments and businesses alike will need to contend with the new norm and there will be permanent shifts in the way we do business, and the way we run the economy.
5. The questions are then how Singapore and Europe can partner each other and respond to these shifts. And how Singapore as an international business hub will provide the right environment and have the right attributes to help companies overcome these challenges and embrace opportunities to emerge stronger.
6. This afternoon, I will focus on three areas where Europe and Singapore can be natural partners to do this:
 - a. First, to provide a secure and reliable environment where businesses can anchor themselves, amidst the global reordering of supply chains, and the shifts in global production methods.
 - b. Second, to connect people, businesses, and ideas across the world by embracing digitalisation and the digital economy.
 - c. Third, to play our part, in creating a better and more sustainable future by growing the green economy.

Secure and Reliable Environment

7. Let me start with the first, on how we can provide a more secure and reliable environment. Geopolitics has come to the forefront of most companies' considerations when reviewing their investment decisions.
 - a. The global chessboard of supply chains and production layout with intricate cross-border linkages is therefore facing a major reshuffle because of geopolitics, technological changes, and of course, the pandemic.
 - b. As companies reconsider how they reposition their pieces on this board, it will not simply be a question of geographical proximity, but one of shared values and trust that translate into tangible policies.
8. Many are reconsidering their supply chains and global production methods. However, onshoring and reshoring may not be the most optimal solution in the diversification of risks; instead, interdependence with trusted partners will be. These are trusted partners with the same values, who will adopt the same posture when it comes to trade connectivity and supply chain integration. This, both Singapore and Europe understand well, not just at the government level, but also amongst companies.
9. Singapore has established ourselves as an international business hub. We have demonstrated our ability to be a reliable, neutral partner for businesses. We are, however, not resting on our laurels. We have every intention to strengthen this competitive position of ours.
 - a. We provide a stable operating environment with respect for the rule of law and are known for our trusted and transparent Intellectual property (IP) protection regime in the region.
 - b. We offer predictability, because of the coherence and consistency of our policies.
 - c. Even at the height of the global pandemic, we kept our promises, we kept our borders open, to allow essential goods to flow unimpeded. We have supported companies to fulfil their obligations, not just to Singapore, but to the world.
 - d. This is hard fought and a continuation of what we have done since the 1970s oil crisis, where we made sure that companies that invest here will be able to fulfil their responsibilities and commercial obligations to the rest of the world. European businesses that have been here will know this. We provide a secure, reliable environment for growth, which in turn allows many of your companies to plan long-term.
10. We are fully cognisant of the fact that increasingly, IP protection is key to where investment decisions are made.
11. We are also fully cognisant of the fact that many business will need a longer time horizon to recoup their investments to get a positive rate of return. This is where

Singapore is committed to partner you in providing the environment in the longer term.

12. The European Union (EU) is Singapore's second largest trading partner for services, and our second largest investor. Singapore is the EU's largest ASEAN trading partner, and third largest Asian investor.
 - a. We have a shared interest in upholding an open and rules-based trading system, as seen through the EU-Singapore Free Trade Agreement (EUSFTA).
 - b. We host over 11,000 EU companies and many Europeans call Singapore their home, adding to our vibrancy and diversity.
 - i. Singapore will continue to welcome skilled workers with the right expertise to complement our local workforce to ensure that we have the most competitive global talent pool to help our economy grow.
13. Singapore not only endeavours to be a gateway for your operations in the region, but also a critical node in European businesses' global value chains. Even as companies rethink the role of a regional business hub, we are determined to redefine our value proposition in the post-pandemic world, where trusted hubs will be fewer, but much more critical. Trusted hubs will not just be hubs for regional operations, but they will be centres of excellence for global operations, which many of you are involved in.
14. Singapore will partner Europe to resist the tide of protectionism to strengthen our supply chains and enhance our future access to both the European and the Asian markets.

Digitalisation & The Digital Economy

15. Let me talk about the second aspect, which we can work together on and that is the area of digitalisation and the digital economy. Going forward, Europe and Singapore will not be divided by geographical distance and can be united by our value systems, the platforms and the standards that we operate in.
16. Both of us can transcend our geographical size and location when we embrace the digital world. In the digital world, small countries are free from the tyranny of geography and geographical size. It presents significant opportunities for the next lap of global growth.
 - a. For instance, a recent study by Google, Temasek and Bain showed that the digital economy in Southeast Asia is expected to triple in just five years, from US\$100 billion to over US\$300 billion by 2025.
 - b. There are tremendous opportunities for us as Singapore is closely plugged into this growth, with the highest number of tech unicorns headquartered here for the region. We continue to provide a platform for startups to aggregate capital from Singapore to grow their global operations.

17. To harness such opportunities, Singapore has embarked on an initiative to build digital bridges, which will help connect people, businesses and ideas across the world.

a. These range from G2G MOUs, to high standard Digital Economy Agreements or DEAs, to establish forward-looking trade rules and collaboration in nascent areas of the digital economy.

i. We have already signed two DEAs and are in discussions for two more. Now, we are in discussions with the United Kingdom (UK) on scoping the modules of a UK-Singapore DEA.

b. As the digital economy grows to form the backbone of many new business ideas in the new market, it is timely for Singapore and Europe to strengthen our economic links through a DEA, whether bilaterally or multilaterally.

i. This would then set the stage for Europe's future engagement with ASEAN in the digital space.

c. To lay the foundations for such an agreement, we can start by cooperating on tangible projects that will enhance and bring greater texture to future discussions.

i. For example, aligning common standards for digital vaccine certificates or passports or working towards mutual recognition of digital identity regimes as well as a verifiable and trusted financing chain. These are all tangible ideas, which we can work on based on the feedback from businesses.

d. The beauty of it is that we do not need an agreement where everything needs to be agreed upon, before we can get off the ground. The way to go about it, is to have the businesses work closely with government officials to identify the building blocks that are of greatest value to businesses and have them build towards the final architecture.

18. We are also deeply invested in digitalisation and harnessing technology across industries.

a. This is particularly salient in the manufacturing industry, where businesses are increasingly adopting Industry 4.0 technology to improve their products and processes.

b. Singapore's ecosystem supports companies in this journey, providing a stable operating environment and bringing together a global talent pool.

i. I was particularly impressed when I visited the Siemens Technology Center. It is a technology center that serves as a platform for small and medium enterprises (SMEs) to get onto the Industry 4.0 journey.

It allows Siemens to work with like-minded partners in Singapore and beyond Singapore in adopting Industry 4.0 technology across the region.

- c. This is how we have attracted over 750 foreign companies to establish their regional headquarters here.
 - i. Biopharmaceutical company Sanofi for instance, recently announced plans to invest 400 million euros over the next five years to create a new vaccine production site.
 - ii. In partnership with the Economic Development Board (EDB), the facility will use cutting-edge manufacturing and digital technologies to create up to 200 jobs. The interesting point about Sanofi's investments in Singapore is that we did not promise Sanofi a huge domestic market. Singapore will always ensure that investors have access to regional and global markets, which will always be bigger than any domestic offer.
 - iii. That is how we will position ourselves amidst the COVID-19 pandemic to continue to access global markets beyond Singapore, from Singapore.

19. From collaboration on the digital economy to embracing digitalisation and Industry 4.0 technology, we see significant opportunities for European businesses to work with Singapore businesses.

20. We look forward to not just collaborating on specific projects, but to also work with European companies to establish new standards in the digital world.

Green Economy

21. Let me move on to the third area where I think there are tremendous opportunities for us to work together; the green economy.

22. In the long term, climate change poses another challenge for businesses.

23. Earlier this year, we launched the Singapore Green Plan, which sets out a Whole-of-Nation movement to advance Singapore's agenda of sustainability.

- a. A key pillar of that is to embrace a mindset of sustainability to help our businesses pivot and workers acquire new skills to thrive in the new green economy.

24. We have embraced this concept since our independence.

- a. That is because we realise that we are a tiny city state on a tiny little island. We are stewards for the future generation and have to take care of our

energy needs, our water needs and our waste treatment. In doing so, turning constraints into opportunities.

25. We have planted the seeds for a green economy, where we can provide green and sustainable solutions in areas such as energy production and consumption, waste or water management. However, we are not stopping here, we are keen to work closely with many European businesses as these businesses have distinguished themselves in how they produce their products in more sustainable ways and organize their supply chains and global production footprint sustainably.
26. There is more that we can do together in the areas of green financing, carbon trading and sustainable urban solutions.
27. There are many opportunities for Singapore and European businesses to work together to provide solutions not just for Singapore, but from Singapore to beyond Singapore.
28. To support this, Singapore offers strong R&D capabilities and an ideal ecosystem for businesses to try and develop green solutions tailored to the regional climate and environment.
 - a. We are keen to partner European businesses to develop a collaborative platform for industry, academia and research institutes to translate the European solutions into industry applications that serve regional needs.
 - b. The demand for sustainable solutions is high - from urban solutions to clean energy. European partners with such capabilities and skills, we will find no shortage of opportunities in Singapore and the region.
 - c. The EuroCham Sustainability Award recipients are stellar examples of what this means. Wholesale banking, for example, has helped to advance refinancing here, by providing Singapore-based solar energy systems on a clean Texoma with the US\$75 billion green loan last year.
 - d. We see opportunities to collaborate in areas such as the development of clean energy technologies, and common standards to facilitate carbon trading.
29. By tapping on Europe and Singapore's strengths in sustainable development, we can together build a greener economy, delivering concrete solutions to global challenges.
30. In conclusion, deeper collaboration between Singapore and Europe is crucial in how we will be able to not only overcome the challenges brought about by geopolitical issues, technological disruption and climate change but also the COVID-19 pandemic.
31. Deeper collaboration between Singapore and Europe will provide us a platform to scale greater heights and seize the opportunities of tomorrow. The three issues that I have mentioned: the resilience of supply chains, opportunities in the digital

economy and opportunities in the green economy, are at least three examples of how Europe and Singapore can partner for our mutual benefit.

32. I am sure we will continue to strengthen this partnership as we go forward, to explore new ideas that can translate to tangible outcomes for our mutual benefit.

33. Thank you for your partnership. Thank you very much for inviting me here this afternoon. I wish all of you the very best in our ongoing journey to combat COVID-19.