

PRESS RELEASE

Protectionism is not the answer, make globalization work

13 February 2017 (Singapore) – Globalization has enabled hundreds of millions of people in the Asia-Pacific region to be lifted out of poverty. While the benefits of globalization may not have been distributed evenly, “we should not make globalization the scapegoat for slowing growth and unemployment,” said Minister for Trade of Singapore, Lim Hng Kiang. Instead of turning inward and closing borders, it is imperative that the region’s economies focus on ensuring that the growth we achieve is inclusive through “domestic policies that will enable benefits and growth to trickle down to all levels, including through equipping our workers with the skills required to adapt to new challenges,” he added. Minister Lim was speaking as keynote at the annual PECC Singapore conference co-organized this year by the Singaporean and Vietnamese committees of PECC (SINCPEC and VNCPEC).

“As we approach the deadline for the Bogor Goals, APEC is at an inflection point. Amidst a backdrop of sluggish growth and concerns about employment, income inequality and immigration, anti-trade sentiments have been on the rise. There is also a growing notion that globalization has failed,” Minister Lim said.

The biggest beneficiaries of globalization have been Asians. In China alone, since its market opened up, 800 million people were lifted out of poverty, said Ambassador Kishore Mahbubani, Dean of Lee Kuan Yew School of Public Policy, National University of Singapore. Having halved global poverty in 15 years as part of Millennium Development Goals (MDGs), and as we expect to again halve the remaining poverty by 2030, “our objective of trying to end global poverty is finally in sight,” he said. Dean Mahbubani also emphasized that globalization was not just about economics but about offering dignified lives and noted that the number of middle class population is expected to explode from 1.8 billion in 2010 to 3.2 billion by 2020 and then 4.9 billion by 2030, covering about half of the world population.

Many participants at the Conference agreed that while globalization has been effective in poverty alleviation, the benefits are not seen to have been distributed fairly. Without ensuring that growth be inclusive, many more could be left behind in the future and there would be continued exacerbation of negative sentiments toward free trade and globalization. Especially with the advent of digital

revolution and increased automation, governments are expected to provide appropriate training and upskilling to meet the demands under new circumstances.

Indeed, the importance of human capital investment through higher education and vocational training was emphasized by Mr. Philip Yeo, Chairman of Economic Development Innovations Singapore (EDIS) and Standards, Productivity and Innovation for Growth (SPRING) who illustrated the ways in which Singapore was working with Vietnam to not only build large-scale industrial parks that offered a large number of local employment, but also nurture young, skilled talents needed for the future economy.

The Standing Deputy Minister of Foreign Affairs of Vietnam, Mr. Bui Thanh Son said that “2017 promises to be an unpredictable but critical year for APEC and the region.” To over 200 participants gathered at the Conference themed “Post-2020 Agenda: Rising protectionism, economic rebalancing and diversified growth,” Minister Bui reminded that we are only a few years away from the expiry of Bogor Goals. Vietnam is hosting APEC 2017 when trade is stagnant, investment is subdued and growth is looking weak and fragile. He urged that every economy join hands and work together to make this year a successful one to effectively manage new challenges that APEC faces.

“Singapore National Committee for Pacific Economic Cooperation (SINCPEC) organizes this series of conference annually with the objective of gathering the region’s policy community to deliberate on the specific priorities set each year by the APEC host,” said Dr. Tan Khee Giap, Chair of SINCPEC. “We look forward to working very closely with Vietnam on key issues including an inclusive approach to regional integration, enabling MSMEs, enhancing physical, institutional and people-to-people connectivity as well as innovative growth.”

In closing, PECC Co-chair Ambassador Don Campbell said that while not sufficient, “we can take tremendous satisfaction in what we have achieved so far in terms of regional integration in the Asia-Pacific.” Enhancing the opportunities for SMEs, connectivity, infrastructure, and embracing inclusiveness through education and skills development should be reflected in our discussions going forward post-2020, post-Bogor Goals.

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