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**OPENING ADDRESS BY MR ABDULLAH TARMUGI
SPEAKER OF PARLIAMENT
AT THE SINGAPORE-WTO THIRD COUNTRY PROGRAMME:
WTO-TFCTN PARLIAMENTARIAN WORKSHOP
ON 10 JUNE 2009 AT 9 AM
AT THE PAN PACIFIC HOTEL**

Ministers, Members of Parliament, Excellencies, Ladies and Gentlemen:

It is an honor to be here at the launch of this parliamentary workshop, hosted by the WTO, the Ministry of Foreign Affairs, Singapore, and the Temasek Foundation Centre for Trade & Negotiations. We are very pleased to have drawn participants from so many countries in Asia.

There is, perhaps, no better time for us to have such a workshop for Asian legislators. It is more important now than ever to have MPs with a clear understanding of global trade, of Asia's role in trade patterns, and of what individual states can do to respond to the unfolding global economic situation.

As you well know, the world is facing a strong economic contraction. The financial crisis has affected trade rather badly. The WTO is predicting a fall of nine percent in trade flows for 2009. Many of the countries in this room have experienced even stronger contractions in exports. Singapore itself is preparing for negative growth this year for the first time in our history.

The situation in Asia is not good. Most of us are tightly linked together in global supply chains. This means that a fall in demand for laptop computers in the United States or Germany has implications for most of us. Let us consider just hard disk drives assembled in Thailand. The parts for these disk drives may be imported from 10 other countries in this region including the Philippines, Indonesia, Malaysia and Singapore. If the laptops are not being sold to consumers, there is no strong demand for disk drives either, nor for any of the component parts manufactured, assembled and exported from the rest of us.

We can talk about building up demand domestically. But Singapore demonstrates the limits of this approach. No matter how hard we try, we simply do not have enough Singaporeans buying laptop computers to replace American consumers. The kinds of goods and services most in demand for our domestic constituents may not be the kinds of goods and services our economies are currently set up to provide.

This workshop is therefore important as it helps members of parliament to have a better grasp of international trade. We need to know what organizations like the WTO or the Asian Development Bank can or cannot do and what services they can provide for us.

By the end of these three days, I hope you will also have a better idea of programmes that could be implemented in your home country. These might include ways to better support trade domestically, arguments you can use to fend off requests for protectionism, or to build up the hard and soft infrastructure that is necessary to support trade.

Singapore serves a model of what exposure to the international market can bring. We are just a tiny island with limited resources. We recognized long ago that we could not rely on our own efforts alone, but must build strong links to the outside world. In a few short decades, we have transformed this place. It took hard work and a strong commitment by our leaders at all levels to open markets.

Sometimes, like now, that path is rocky. Constituents often ask us why we have to rely on other countries. Our response is that we could not have enjoyed the levels of growth and economic development that we have now if we had continued to look inward. Only by opening up our markets and focusing on being competitive with global firms can we grow and progress.

This economic crisis will pass. It is our hope that the steps taken by the government and the stimulus packages implemented in many other states will create stronger foundations for future growth. We intend to be at the leading edge of the recovery and continue to take advantages of the opportunities for open economies to prosper and thrive.

There are three areas that Singapore has identified as priority topics for global cooperation to get us moving again. First, we need to work on strengthening the financial regulation internationally to ensure that a similar crisis does not happen again. This process needs to be as inclusive as possible to consider the vulnerabilities faced by both developed and developing countries in the future.

Second, we must continue to promote free and open trade. It is easy for the government to feel strong pressure to help out domestic constituents first. But these pressures have to be resisted. Governments must stand together against rising calls for protection and keep international trade flowing.

Finally, we see a clear need for greater international economic coordination. This may not be easy, as it includes monetary and fiscal policy measures to cushion the fall in economic activity across the globe. Nevertheless, it is important that states cooperate with one another to build new foundations for strong growth in the future.

We believe that these three actions are critical to building a better economic future for everyone.

I do hope that you enjoy your stay in Singapore. I hope you find these sessions useful and will return to your own parliaments and share the knowledge you have gained.

Thank you for coming and I wish you a pleasant stay.