

# Singapore



*A monthly update  
from the  
Singapore Embassy*

January 2003

## U.S. and Singapore Reach A Substantive Conclusion in Free Trade Pact Negotiations



*"This free trade agreement sets new standards for open trade. It will create jobs and improve the economies of both Singapore and the United States."*

— a spokesperson for the  
USSFTA Business Coalition

The United States and Singapore have concluded negotiations for the U.S.-Singapore Free Trade Agreement (USSFTA). This came after both sides reached an agreement on the issue of the free transfer of capital during periods of financial crises, which was the only outstanding matter remaining in discussion.

Negotiations for the USSFTA, which had began in December 2000, also covered other areas, such as services liberalisation, the elimination of import duties, enhanced customs cooperation, plus groundbreaking provisions in areas such as intellectual property rights, e-commerce and competition law.

### Warm Responses to the USSFTA

Initial reactions to the news have been positive. The USSFTA Business Coalition hailed the development, and looked forward to securing

Congressional approval. "This free trade agreement sets new standards for open trade," noted a spokesperson for the Coalition, which brings together nearly a hundred companies and trade associations. "It will create jobs and improve the economies of both Singapore and the United States. It will bolster business opportunities for not only large corporations, but also for millions of small companies in both markets."

Incoming Chairman of the Senate Finance Committee Senator Charles Grassley also applauded the resolution of the capital controls issue, and reaffirmed his commitment towards the passage of the USSFTA. "Singapore is America's largest trading partner in Southeast Asia. A U.S.-Singapore free trade agreement would not only add

to the growing trade that our countries share, but also would be our first free trade agreement with an Asian nation," Senator Grassley said.

Both Singapore and U.S. negotiating teams are currently doing the legal scrubbing for the USSFTA, and preparing for the expected signing of the agreement later in the year.

Singapore and the United States enjoy close relations spanning many dimensions. Singapore was the 11th largest trading partner of the United States in 2001. Bilateral trade amounted to nearly \$40 billion. Singapore has an open, well-regulated economy, and plays host to more than 1500 American companies and 17,000 American expatriates. ❖

## Sungei Buloh Wetlands Reserve

The Singapore bird and wildlife sanctuary was recently recognized for its conservation of migratory shorebirds

# Prime Minister Goh: Singapore Economy Grows In 2002, But Challenges Remain



Singapore Prime Minister Goh Chok Tong

Singapore's gross domestic product expanded by 2.2 percent in 2002, although a "full recovery" may not occur until 2004, Prime Minister Goh Chok Tong announced in his recent 2003 New Year's address.

Prime Minister Goh added that there was a reasonable chance that economic performance this year would be better than 2002, as the U.S. economy was expected to pick up, despite slowdowns in the European Union and Japanese economies. Singapore's

*The World Economic Forum ranked Singapore the fourth most competitive economy in the world in 2002, and the Economist Intelligence Unit ranked Singapore's business environment the best in Asia.*

preliminary 2003 economic forecast is between 2 to 5 percent growth. Prime Minister Goh noted that the global

electronics industry was likely to improve, but there were downside risks, and most likely, Singapore would have to wait a year more before full recovery.

"Even as we manage immediate problems, we must press ahead with the longer-term remaking of Singapore. We must build on our strengths, and remedy our weaknesses," he stressed.

Prime Minister Goh also

highlighted that the Singapore economy was fundamentally sound. He cited Singapore's high economic competitiveness rating — specifically, that the World Economic Forum ranked Singapore the fourth most competitive economy in the world, the same as last year. In addition, the Economist Intelligence Unit ranked Singapore's business environment the best in Asia.

"Our expanding network of free trade agreements (FTAs) adds to our competitiveness. Our FTA with Japan has just come into effect. Our FTA negotiations with the U.S. have almost been completed. These and other FTAs will save us hundreds of millions of dollars in tariffs, strengthen Singapore as a hub for manufacturing and services, and give us an advantage in developing creative and knowledge-intensive industries," he said.

Prime Minister Goh also cited the need for strengthening social cohesion and harmony in the face of the ongoing global terrorism threat. "The spirit of community will see us through the difficulties ahead. Let us continue to work together as one people, and do our best to strengthen our society and economy," he concluded. ❖

## Sungei Buloh Wetlands Reserve: *Singapore Bird and Wildlife Sanctuary*

Where do migratory shorebirds such as sandpipers and plovers rest on their long annual journey to escape the cold winters of the Siberian tundra? Singapore, of course. But where in urbanised Singapore can these birds find a protected wetlands habitat? The answer: the Sungei Buloh Wetlands Reserve.

Located on the northern end of the island city-state, the 87-hectare wetland is filled with mangrove mudflats and trees, brackish water ponds and freshwater ponds. Besides serving as an important stopover point for migratory birds, Sungei Buloh is home to resident herons, kingfishers, doves, bee-eaters, woodpeckers and tailorbirds.

Sungei Buloh Wetlands Reserve recently became the

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Photo: Adeline Chia

# Business

Business Briefs

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## Hasbro Teams Up with Singapore's StikFas

Rhode Island-based Hasbro is partnering with StikFas, a Singapore toy start-up firm, to produce and distribute toys for the U.S. market.

StikFas is the first company of its kind in Singapore to license its intellectual property to a multinational company, such as Hasbro. The toy is a D-I-Y action figure made of detachable parts and flexible joints.

Hasbro Singapore's General Manager, Ms. Evelyn Hah, described the StikFas toy set as "a highly articulated, interchangeable action figure kit which offers enthusiasts an opportunity to express their individual personality and interests through customising and posing."

## Education Grew 7% annually in 1995-2000

Singapore's education system has grown at an average 7 percent annual rate between 1995 and 2000, despite the economic

slowdown, and is expected to continue growing. According to the Singapore Department



of Statistics, growth came mainly from profit-making firms, whose numbers increased by an annual average of 9.6 percent, with an employment expansion of 7.2 percent. The education industry contributed 3 percent to gross domestic product (GDP) in 2000.

Overall, Singapore's knowledge-based industries — which include communications, education, healthcare, finance and business services, and various manufacturing activities — contributed 57 percent of GDP in 2001, up from 49 percent in 1983.

## Exabyte Consolidates Global Manufacturing Operations in Singapore

Colorado-based storage systems maker Exabyte Corp. has moved the manufacturing of its entire line of high-end storage automation products to Singapore. Exabyte began consolidating its global manufacturing operations last January, when it announced it would shut down its final assembly operations in Scotland, and service centres in Australia and Canada.

Exabyte's Singapore operations will be worth at least US\$39.6 million, going by end-2001 figures, according to Mr. Jalin Anderson, Singapore-based Vice-President and Managing Director of Exabyte's regional operations. "Singapore has deep strengths in manufacturing," Mr. Anderson

said. "We also have the peace of mind knowing that the quality we need and the intellectual property rights we own are respected here."



## Singapore Visitor Arrivals Jump 10% in November

The number of visitors to Singapore increased 10.1 percent in November from a year earlier, as business-related traffic grew for the third straight month by 8.3 percent due to more arrivals from the United States, India, China, and Japan.

The Singapore Tourism Board said an aggressive promotion campaign had boosted arrivals from neighbouring countries such as Indonesia, Malaysia and Thailand, pushing total visitor numbers from January to November up 0.1 percent from a year earlier to 6.86 million.

Tourism is one of the biggest service industries in Singapore, generating more than US\$5.8 billion in revenue a year, or about five percent of gross domestic product. ❖

# Introducing New Ministers: Ng Eng Hen

*After the last general elections in Singapore in November 2001, several new ministers were appointed. It is expected that these ministers will form the core of Singapore's national leadership in the coming decade. In the fourth installment of a series, we profile Ng Eng Hen, Singapore's Minister of State for Education and Manpower.*



A little more than a year and a half ago, Dr. Ng Eng Hen was a successful cancer surgeon in Singapore, operating a private practice. He specialised in treating breast cancer, and had been instrumental in establishing the Breast Cancer Foundation, a non-profit organisation working towards early detection of the disease.

Towards his constituents and the people of Singapore, Minister Ng pledged, "I will treat you with dignity and respect... I will be always mindful that you have trusted and elected me to serve to improve your lives."

— Ng Eng Hen,  
Singapore's  
Minister of State  
for Education and  
Manpower

Today, Dr. Ng is Minister Ng, an elected Member of the Singapore Parliament and Minister of State — or deputy minister — at both the Education and Manpower Ministries. All of Singapore is now his concern.

But why did he decide to enter politics? In short, because Minister Ng believed in the Singapore system, and wanted to ensure its continuity. He had a humble childhood, where he had to share a small apartment with five other siblings. But his own personal and career

development mirrored that of Singapore, which was transformed within a generation from third world to first.

"Because the nation has prospered as a whole, my wife and I are able to provide a better life for our children," he noted. "The challenge then is — how do we preserve and continue this system for our children? Given the opportunity, is this system worth protecting and fighting for? For me the answer is an unqualified yes."

## A Distinguished Career

Minister Ng qualified as a medical doctor in Singapore, and later completed stints in New York's Cornell University Medical Center and the MD Anderson Cancer Center in Houston. When he returned to Singapore, he devoted time not only to practising medicine, but also to volunteer and community work.

Minister Ng will continue to hone his skills in government. At the Ministry of Education, he is involved in many efforts, including a review of Singapore's tertiary education sector. Currently, he also chairs

a major subcommittee on enhancing human capital, which forms part of Singapore's Economic Review Committee — a body tasked with formulating an economic blueprint for Singapore's future.

But in government, Minister Ng will always be mindful of the trust placed by the people of Singapore in him. "As a cancer surgeon, I see many patients who place their complete trust in my hands when they undergo surgery," he said. "To me, this trust is awesome and sacred and it behooves me never to betray it."

Similarly, towards his constituents and the people of Singapore, Minister Ng pledged, "I will treat you with dignity and respect... I will be always mindful that you have trusted and elected me to serve to improve your lives." ❖

## Regulating Trade in Strategic Goods

Keeping pace with recent international developments, the Singapore Parliament has adopted new legislation designed to keep out of terrorist hands goods that they might find useful, particularly for the development or production of Weapons of Mass Destruction (WMD).

The Strategic Goods (Control) Act gives the Singapore government more legal muscle to track "strategic goods" — about 600 controlled items, including munitions and materials with both civilian and military uses. In addition, it makes Singapore the first Southeast Asian country to put into law rules that control the movement of all types of strategic goods.

"As a major trading and logistics centre, Singapore may be used as a potential conduit for illicit activities. It is in our interest to enhance security of our ports' operations and to step up vigilance. It is also our responsibility, as a member of the international community, to play our part in building an effective global system," said Mr. Raymond Lim, Minister of State for Foreign Affairs and Trade & Industry,

while addressing Singapore's Parliament recently. He also stressed that the new requirements would not delay shipments unnecessarily.

### Key Features

The new legislation provides, among others, for the following:

- (1) Singapore will require all traders to apply for a permit before they are allowed to export, trans-ship or bring into transit strategic goods. It includes munitions, chemical and biological items, as well as nuclear-related materials and equipment.
- (2) Beyond the control of physical goods, Singapore also will regulate the electronic transmissions of military, encryption and WMD end-use technology.
- (3) Singapore will also regulate all brokering activities directly related to WMD and offensive categories of conventional arms, such as small arms and light weapons.
- (4) To ensure the continued relevance of Singapore's enhanced controls to evolving technologies and weapons development programs, Singapore has incorporated blanket control on all goods likely to be used for WMD purposes.
- (5) Singapore will impose stiff penalties for non-compliance. The penalties of a maximum S\$100,000 fine or three times the value of the goods, and/or two years' jail for first offenders, and a maximum S\$200,000 fine or four times the value of goods and/or three years' jail for subsequent offenders.



Mr. Raymond Lim, Minister of State for Foreign Affairs and Trade & Industry

"The Act strengthens Singapore as a strong link in the global chain of anti-terrorism and non-proliferation measures," Minister Lim said. "It also will serve to safeguard the reputation and integrity of Singapore's status as a major international shipping hub."

This is the latest in a series of measures that Singapore has taken to combat terrorism. In September, Singapore signed an agreement with the U.S. that allows American customs officials to screen high-risk containers in Singapore for terrorist weapons before they are sent to U.S. ports. New rules also were announced last month barring financial institutions from providing and collecting money that they believe is intended to be used to commit a terrorist act. ❖

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— Minister of State  
Raymond Lim



# Sungei Buloh Wetlands Reserve: *Singapore Bird and Wildlife Sanctuary*

Continued

Despite being a small and urbanised city-state, Singapore has untouched wildlife areas, stemming from a clear environmentally-conscious national strategy.

first Southeast Asian site to be added to the East Asian Australasian Shorebird Site Network by Wetlands International, the leading international organisation working on wetland conservation and sustainable management. The inclusion of Sungei Buloh came in recognition of the reserve's importance in the conservation of migratory shorebirds.

## 10-Year Anniversary

The international recognition comes as Sungei Buloh celebrates its 10-year anniversary in 2003. A year-long programme of events is

scheduled leading up to a December climax. Speaking recently, Dr Vivian Balakrishnan, Singapore's Minister of State for National Development noted that the nature reserve had consistently put forward programmes reflecting its four objectives: conservation, education, recreation and research.

"Sungei Buloh actively reaches out to individuals, corporate organisations and schools, with the aim of bringing the community closer to nature. This, in turn, has fostered an appreciation for nature, which has built up significant support for the protection of this wetland reserve," he said.

## An Environmentally-Conscious Strategy

Dr. Balakrishnan also commented that it was heartening to know that



Photo: Melissa Lee

Singapore, despite being a small and urbanised city-state, has untouched wildlife areas, stemming from a clear environmentally-conscious national strategy.

Indeed, Singapore, since independence in 1965, has sought to place emphasis on protecting the environment, even while industrialising and developing rapidly. For instance, many areas, untouched by modernity, have been designated as nature reserves, strict pollution controls are enforced, while new trees line every city street. Carefully-designed national environmental plans have allowed places such as Sungei Buloh to remain attractive to visiting wildlife. ❖



Photo: David Tan

*Singapore*