

**KEYNOTE ADDRESS BY
SENIOR MINISTER OF STATE FOR
FINANCE AND TRANSPORT JOSEPHINE TEO
AT THE 10TH JAPAN-SINGAPORE SYMPOSIUM,
20 NOVEMBER 2014, 0910 HOURS AT
ORCHARD HOTEL, SINGAPORE**

Co-chairmen Ambassador Yoshiji Nogami and Ambassador Tommy Koh
Ambassador Haruhisa Takeuchi and Ambassador Chin Siat Yoon
Distinguished Guests
Ladies and Gentlemen

1 Good morning and thank you for inviting me to the 10th Japan-Singapore Symposium (JSS). Let me welcome all delegates, and especially our guests from Japan. We appreciate you making the trip here.

2 Since the JSS was launched in 1994, it has brought together leading figures and opinion-shapers from both countries to exchange views on regional and global issues of the day. These gatherings are also a useful platform for exploring ways to strengthen our bilateral and regional cooperation.

3 This year's JSS precedes the 50th anniversary of bilateral relations between Singapore and Japan in 2016. Ahead of this significant milestone, it is timely for us to take stock of the Singapore-Japan relationship and consider how it can be elevated to the next level.

Singapore-Japan Bilateral Relations

4 Bilateral relations have matured and are multi-faceted. We have frequent exchanges at various levels and our leaders meet regularly.

5 When Prime Minister Lee Hsien Loong and Prime Minister Abe last met on the sidelines of the G20 Summit in Brisbane, it was in fact their sixth meeting in the last two years. From the Ministry of Foreign Affairs, both Minister Shanmugam and Second Minister Grace Fu have made official visits to Japan in the last two months. I myself visited Japan this September, and had good discussions with both my finance and transport counterparts.

6 In addition to our close political ties, Singapore and Japan have developed broad and deep economic links. Japan is consistently among the top three investors in Singapore, together with the EU and United States, with cumulative direct investment of around US\$50 billion.

7 Japanese companies continue to see merit in using Singapore as a hub, regional headquarters or innovation centres. Some examples are Mitsui Energy and Mitsubishi which have set up global trading headquarters in Singapore.

8 The investments are increasingly flowing in both directions. Japan has become Singapore's 7th largest investment destination in Asia. Singapore companies have branched into sectors such as real estate, healthcare and food services, among others.

9 A hallmark of our bilateral relations is the Japan-Singapore New-Age Economic Partnership Agreement, or JSEPA. In fact, the JSEPA was Japan's first-ever free trade agreement with any country. It was also Singapore's first with a major developed economy.

10 Since its entry into force in November 2002, the JSEPA has been instrumental in facilitating trade and investments and promoting our respective domestic markets. In light of the evolving global economic landscape, the JSEPA must remain relevant and continue to bring benefits to both Singapore and Japanese businesses. In this respect, we look forward to an early conclusion of the ongoing 3rd JSEPA Review.

11 Our strong economic ties are complemented by growing financial cooperation. The annual Singapore-Japan Finance Dialogue held its fourth meeting in 2014 earlier this month. Our officials have found the discussions insightful, particularly on strengthening the resilience of our financial market. In April 2014, a cross-border collateral arrangement was launched between the Monetary Authority of Singapore and Bank of Japan. Singapore is committed to building on these initiatives to enhance our bilateral financial ties, including through a Bilateral Swap Arrangement.

12 Singapore and Japan also enjoy close cooperation in the transport sector. I am pleased to note that air passenger traffic between our countries grew significantly by more than 30% in the last two years.

13 Our close transport cooperation also extends to the area of maritime safety. This is underpinned by a common interest in freedom of navigation

and respect for international law. Japan remains a key user state of the Straits of Malacca and Singapore (SOMS), one of the world's busiest shipping lanes which is crucial to facilitating Europe-Asia trade and meeting the energy needs of East Asia.

14 During my meeting with State Minister for Land, Infrastructure and Transport Akihiro Nishimura in Japan, we agreed that there is room to grow our aviation hubs together through more win-win partnerships. For instance, further liberalisation of the Singapore-Japan Air Services Agreement will cement Singapore and Tokyo-Narita as the leading air hubs in our respective regions.

15 Better air connectivity has led to more frequent interactions between our peoples. In 2013, close to 200,000 Singaporeans visited Japan, which was a 33.1% increase from the year before. In the same year, Singapore received more than 800,000 Japanese visitors. This made Japan our 6th largest market in terms of tourism arrivals. The establishment of the Japan Creative Centre in Singapore has also promoted better understanding of Japanese culture not only in Singapore but also in the region.

16 Perhaps the best example of the goodwill between our peoples is the outpouring of support from Singapore to the Tohoku region following the March 11 Triple Disasters. We look forward to the completion of Singapore's fourth and final reconstruction project in Rikuzentakata in 2015.

17 Another area in which Singapore and Japan work closely together is the provision of joint technical assistance to third countries under the Japan-Singapore Partnership Programme for the 21st Century, or JSPP21. Since 1994, we have jointly trained over 5,300 government officials from Asia, Africa, the Middle East and the Pacific Islands. These officials have undertaken some 320 training courses in diverse fields including public governance, trade promotion and disaster management. The JSPP21 has been very successful in the last 20 years, and there is room to expand its reach to more countries.

Japan's Engagement of the Region

18 Beyond our bilateral partnership, Singapore and Japan also cooperate closely in regional and multilateral fora. We share many common interests in regional issues and a similar stance on the regional architecture. Let me say a few words on ASEAN-Japan relations.

19 ASEAN and Japan share a mutually beneficial relationship. Southeast Asia's developing markets present attractive business opportunities for Japan, and ASEAN economies in turn benefit from Japanese investments.

20 For the past two years, Japan has remained the second largest source of Foreign Direct Investment (FDI) for ASEAN. In 2013, Japanese investments accounted for 18.7% of total FDI inflow into ASEAN at US\$22.9 billion. This would have been boosted by the substantive conclusion of the Trade in Services and Investment chapters of the ASEAN-Japan Comprehensive Economic Partnership (AJCEP). Similar trade liberalisation agreements such as the Regional Comprehensive Economic Partnership (RCEP) and the TPP, when concluded, will further entrench Japan's economic interests in the region.

21 It is significant that Prime Minister Abe visited all 10 ASEAN countries during his first year in office. This culminated in a successful ASEAN-Japan Commemorative Summit in December 2013. The outcome of the Summit was substantive. Japan pledged 2 trillion yen (US\$17.3 billion) in overseas development assistance (ODA) to Southeast Asian countries and US\$100 million to enhance the Japan-ASEAN Integration Fund.

22 At the 2014 Shangri-La Dialogue in Singapore, Prime Minister Abe proposed to establish an East Asia Summit (EAS) Permanent Committee. Singapore shares the view that the EAS should be strengthened to optimise its value to the regional architecture. We look forward to working with Japan to enhance regional frameworks including the EAS, as well as to keep the regional architecture open and inclusive.

23 Singapore also supports Japan's intent to play a larger and more active role in the region as articulated by Prime Minister Abe in his "Proactive Contribution to Peace" policy. All stakeholders big and small, including Singapore and Japan, share a common interest in ensuring peace and prosperity in the region. We encourage Japan to adopt a strategic approach under the framework of the US-Japan Security Alliance, which has served as the cornerstone of peace and stability in the Asia-Pacific.

24 We hope that Japan will deepen its engagement with ASEAN in a broad-based manner. For instance, Japan has traditionally supported ASEAN Connectivity as an integral part of ASEAN's community-building efforts. Japan's sustained participation in the Master Plan on ASEAN Connectivity will further anchor its influence and soft power in the region. The proposed ASEAN-Japan Air Services Agreement will be an essential step towards

intensifying people-to-people exchanges and bringing Japan and Southeast Asia even closer together.

Conclusion

25 Let me conclude. The ties between our two countries are very warm, multi-faceted and substantive. I am confident that delegates from both sides will build on this firm foundation and deepen our engagement through robust discussions on a broad range of issues. I also hope that you will provide constructive proposals to bring relations to a higher level as we commemorate the 50th anniversary of our bilateral ties in 2016. Thank you.

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