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Plugging S'pore into the World

By TOMMY KOH

MR GOH Chok Tong has made many contributions to Singapore's foreign policy.

He has consolidated Mr Lee Kuan Yew's legacy and expanded upon it.

Singapore in South-east Asia: He worked hard to build upon Mr Lee's strong personal relationship with Indonesian President Suharto. During the more than 30 years when Indonesia was ruled by Mr Suharto, power was concentrated in Merdeka Palace and all important decisions were made by Mr Suharto.

Mr Goh therefore had to develop a good rapport with Mr Suharto and earn his trust and confidence.

This he succeeded in doing. This made it possible for the two countries to broaden as well as deepen their bilateral cooperation. For example, the development of Batam and Bintan; the extensive cooperation between our defence forces, including the building of the firing range in Sumatra; the expansion of air links between the two countries; and Singapore's participation in the development of the tourist industry in Bali all took place during this period.

There is a saying that a friend in need is a friend indeed. Mr Goh proved that he is a friend of Indonesia during the 1997 financial crisis. Between the critical months of October 1997 and January 1998, Prime Minister Goh visited Mr Suharto three times to convey personally the support of Singapore for Indonesia.

Singapore, together with Japan and Australia, tried to be helpful to Indonesia during the crisis by interceding with the International Monetary Fund.

In response to Mr Suharto's request, PM Goh offered Indonesia a loan of US\$5 billion, to be used after the loans from the IMF and the World Bank were exhausted. Following Singapore's lead, Brunei pledged US\$1.2 billion and Malaysia, US\$1 billion.

In the post-crisis period, PM Goh has encouraged Singapore's private sector to invest in Indonesia in order to re-start the economy.

In the 1998 to 2003 period, Singapore companies have invested a total of US\$7.7 billion in Indonesia.

RELATIONS between Singapore and Malaysia during the past 14 years have been like a roller coaster, sometimes up and sometimes down. Much of the dynamics of this erratic pattern were attributable to the mercurial personality of the former Prime Minister of Malaysia, Dr Mahathir Mohamad. Although Dr Mahathir received his medical education in Singapore and has many friends here, he appears to have a love-hate attitude towards Singapore.

Although PM Goh and PM Mahathir met each other many times during those 14 years, the two men never developed a close friendship.

PM Goh tried very hard to keep the relationship on an even keel and to insulate the logic of cooperation from the acid of bilateral politics.

In spite of the frequent eruptions of anti-Singapore episodes, there were some significant achievements.

The economies of Johor and Singapore are increasingly integrated. Malaysia has displaced the United States and Japan to become Singapore's No. 1 trading partner since 2000. Singapore has become Malaysia's largest foreign investor and largest source of tourists.

The change of Prime Minister in Malaysia, at the end of October 2003, has brought about a brightening in the bilateral relationship. The mood has become more positive, the tone more collegial, and the anti-Singapore rhetoric has largely ceased.

The two governments should therefore seize this window of opportunity to resolve the old outstanding issues and to grow a new win-win agenda.

With Brunei, PM Goh initiated the Brunei-Singapore Exchange Visits. He has encouraged Singapore's ministers to make frequent visits to Brunei and to prevent the special relationship between these two countries from being devalued by complacency.

With Thailand, PM Goh developed a close relationship with several of its prime ministers. For example, PM Goh worked closely with PM Anand Panyarachun in launching the Asean Free Trade Agreement (Afta) in 1992, and with PM Banharn Silpa-Archa in launching the Asia Europe Meeting (Asem) in 1996. Singapore also worked closely with Thailand to launch the Asean Regional Forum in Thailand in 1994, with PM Chuan Leekpai serving as convener and host.

During the past seven years, PM Goh and PM Thaksin Shinawatra have launched several initiatives to deepen the relationship between the two countries, including, in 1997, the Singapore-Thailand Enhanced Partnership and in 2002, the Singapore-Thailand Enhanced Economic Relationship.

The two Prime Ministers have also started a tradition of meeting each other, in each other's country, together with a few of their ministerial colleagues, in order to brainstorm on bilateral issues and on other issues of mutual interest.

PM Goh has a close relationship with the leaders of Vietnam. His advice on Vietnam's efforts to restructure its economy, to liberalise its trade policy and improve its governance, has been sought and received with appreciation in Hanoi.

The Singapore-Vietnam Industrial Park is a success. Singapore has become Vietnam's largest foreign investor, with a cumulative foreign direct investment of US\$7.37 billion (S\$12.7 billion).

At the fourth Informal Asean Summit in Singapore in 2000, he launched the Initiative for Asean Integration (IAI) to help the four new member countries, Cambodia, Laos, Myanmar and Vietnam, catch up with the older members and integrate smoothly into Asean.

In the case of Cambodia, PM Goh played a role in persuading Prime Minister Hun Sen to allow direct flights to Siem Reap in order to grow the tourist industry around Angkor Wat.

In a quiet and non-confrontational way, PM Goh has advised the leaders of Myanmar to open up their economy, to seek reconciliation with the opposition and to make more rapid progress in the political evolution of the country.

Singapore is Cambodia's No. 6 investor, Myanmar's No. 1 investor and Laos' No. 12 investor.

Contributions to Asean: PM Goh has made many important contributions to strengthening Asean. He is, however, very modest and often prefers not to take the credit for his ideas.

His most important contributions:

First, he was the proponent of Afta. He decided, however, that Singapore should not champion the proposal because of its free-port status.

He persuaded Mr Anand, then Prime Minister of Thailand, to champion the proposal. Afta is one of Asean's most important achievements.

Second, when the Cold War ended, PM Goh decided that it was feasible and desirable for the Asia-Pacific to have a security forum. Again, he decided not to take the credit for his initiative, but to persuade Thailand to host the inaugural meeting of the Asean Regional Forum or ARF. The ARF has endured and is growing in effectiveness. It continues to be driven by Asean.

Third, Asean leaders used to meet about once every five years. PM Goh proposed that they meet every year. In 1995, his proposal was accepted and, since 1996, Asean leaders have met at an annual summit.

More frequent interaction has helped to enhance mutual trust and confidence and to move the group forward more rapidly on its agenda.

Fourth, PM Goh was increasingly worried by the growing competition which major Asian countries such as China and India were posing for Asean. He concluded that the best way for Asean to respond is to integrate more broadly and deeply so that Asean could compete as a single economy of 500 million people.

At the Asean Summit in 2002, he proposed that Asean move beyond Afta and become an economic community, a single market and production base with the free flow of goods, services and skilled labour and the freer flow of capital by 2020.

The proposal was adopted by the Summit in 2003 and incorporated in the Bali Concord II.

Fifth, PM Goh thought that Asean would benefit if it were linked to the dynamic economies of China, Japan, Korea and India.

In 1996, he proposed that Asean should hold a summit with China, Japan or Korea as a group, as well as summits with each of them individually.

Since 1997, the leaders of Asean and those of China, Japan and Korea have been meeting at an annual summit called Asean+3.

In 2000, he proposed holding an Asean+India Summit. Such a summit was held in 2002 and has also become an annual event.

The journey to integrate South-east Asia, North-east Asia and India has begun. If successful, this will eventually produce the world's largest regional economy. As European integration has shown, it will also contribute to peace in Asia.

China: On Oct 3, 1990, China and Singapore established formal diplomatic relations with each other. During the past 14 years, relations between the two countries have grown from strength to strength.

The recent hiccup over Mr Lee Hsien Loong's visit to Taiwan should not obscure the fact that relations between China and Singapore are extensive and substantial. Singapore is China's No. 1 trading partner and foreign investor in South-east Asia. Singapore is a good friend of China. It will never work against China's core interests.

PM Goh's contributions to Singapore's relations with China:

First, he proposed to President Hu Jintao the establishment of the Joint Council for Bilateral Cooperation, which has become a reality. It is co-chaired by Deputy Prime Minister Lee and Vice-Premier Wu Yi. It provides a strategic platform for the leaders of the two countries to oversee bilateral relations.

Second, PM Goh proposed to Premier Wen Jiabao the establishment of a China Centre in Singapore. This will embrace a commercial centre, a cultural and media centre and a centre for Chinese medicine.

Third, PM Goh is also responsible for the establishment of the Singapore-China Foundation, the Singapore-Shandong Business Council and the Singapore-Sichuan Trade and Investment Committee.

Fourth, PM Goh succeeded in persuading China to launch a free trade agreement with Singapore. Negotiations are due to start in November. China and Asean are already negotiating a free trade agreement, to be completed within 10 years.

India and South Asia: India's engagement with South-east Asia is ancient. Until the arrival of Islam and the West, South-east Asia was deeply influenced by the Indian civilisation. This heritage, however, dissipated with time.

It was not until the early 1990s that Prime Minister Narasimha Rao announced a new 'look East' policy. In the past decade, India has sought to re-establish its historic ties with South-east Asia. India needed a champion in Asean to make this possible. PM Goh is India's champion.

It was therefore very gratifying for India to have awarded him the Jawaharlal Nehru Award for International Understanding last month. His key contributions to India's engagement with Asean and Singapore:

First, PM Goh persuaded Asean to upgrade India's status to that of a full dialogue partner, to admit India to the ARF and to hold a summit with India.

Second, PM Goh acceded to PM Rao's request for Singapore to build a Technology Park in Bangalore.

Third, PM Goh persuaded then premier Atal Bihari Vajpayee to agree to negotiate a free trade agreement with Singapore. The Comprehensive Economic Cooperation Agreement will be concluded before the end of this year. This will serve as a paving stone towards an Asean-India FTA.

Last month, PM Goh made a historic visit to Pakistan, Bangladesh and Sri Lanka. Singapore has agreed to negotiate free trade agreements with Pakistan and Sri Lanka. In launching these initiatives, Singapore is acting as a pathfinder in forging closer economic relations between South-east Asia and South Asia.

It would be good if, in the future, Afta and the South Asia Free Trade Agreement could be linked to each other.

America: Relations between Singapore and the US have seen two peaks. The first peak was in 1985, when Mr Lee Kuan Yew, then Prime Minister, was invited to address a joint meeting of the US Congress. With the end of the Cold War, the relationship began to drift. Things got worse after the Michael Fay affair.

PM Goh never wrote the relationship off. With the help of the former US Ambassador to Singapore, Mr Steven Green, he began to turn the relationship around and to cultivate President Bill Clinton. Common interests in the Asia-Pacific Economic Cooperation forum and the World Trade Organisation helped to re-invigorate the relationship.

By a stroke of good timing and luck, PM Goh managed to persuade President Clinton in November 2000, two months before the end of his term, to launch negotiations for a free trade agreement. The terrorist attacks on the US in September 2001 created a new threat perception in Washington DC and offered new opportunities for Singapore and the US to work together.

With the signing of the US-Singapore FTA by President George W. Bush and PM Goh in Washington in May 2003, it would be fair to say that the bilateral relationship has scaled a new peak, higher than that in 1985.

The two countries are currently negotiating a Framework Agreement for the Promotion of a Strategic Cooperation Partnership in Defence and Security.

Singapore is not a treaty ally of the United States. However, the relationship between Washington and Singapore is substantial, multi-dimensional and reliable.

PM Goh has made a major contribution to the excellent relations which exist today between Washington and Singapore.

The Middle East: Following the 9/11 attack on America and terrorist acts in other parts of the world, there has been a backlash in the West against Islam and the Arabs.

PM Goh decided to launch a diplomatic initiative to build links between Singapore and moderate Islamic and Arab countries.

Thus, Singapore has concluded its first FTA with an Arab country, Jordan, and has agreed to negotiate FTAs with Bahrain, Qatar, Egypt, Iran, Kuwait and South Africa. PM Goh has visited Oman, the United Arab Emirates, Egypt, Jordan, Bahrain and Iran. He has proposed establishing a dialogue between Asia and the Middle East, the inaugural meeting of which will be held next year.

Mr Goh Chok Tong's Diplomacy: The Prime Minister is a country's chief diplomat to the world. Has Mr Goh been a successful diplomat for Singapore?

I accompanied him on one of his trips to Europe. After a meeting with a European leader, PM Goh asked me whether it was unusual for the European leader to tell him that he liked him. It was unusual.

PM Goh has been as successful abroad as he has been at home, and for the same reasons. He is intelligent and knowledgeable without being arrogant or dogmatic. He is shrewd, but not cynical. He is sincere, but not naive. He is an original thinker and a fountain of ideas.

He is warm and personal and has a gift for winning friends.

Mr Goh Chok Tong leaves us with a rich legacy of foreign policy achievements.

First, he has consolidated Singapore's position in South-east Asia. He has launched several initiatives to make Asean more integrated and more competitive.

Second, he has expanded Singapore's political and economic space. He is the architect of our FTA policy. Our free trade agreements have enabled Singapore to transcend the limitations of its small size by linking up with other economies.

Third, he has made a major contribution to inter-regional cooperation and understanding, namely, between Asean and North-east Asia, between Asean and India, between Asia and Europe, between Asia and Latin America and between Asia and the Middle East.

He has kept Singapore safe and at peace with the world. He has earned the goodwill and respect of many foreign leaders for himself and for his country.

He has shown that the leader of a small country can make a significant contribution to the building of a more peaceful and prosperous world.

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