

Remarks by Mr Tan Chong Meng, 14th S R Nathan Fellow

Thank you all for coming.

1. A very good evening to all of you and a big thank you to Minister Chee for taking time off from this evening.
2. When we were setting the dates for this, we were not really aware it was *chap goh mei*. So there is another party that he is going to get to at the Istana very quickly after this. And of course to Mr Janadas Devan, thank you for the opportunity to play a part in the S R Nathan series.
3. Minister Chee has given an excellent guided tour of the book. Originally, I was going to say a couple of things from there, but I think it is so well covered that I invite you to just pick up the rest for yourself.
4. I would just want to highlight one fundamental thesis that is captured in the title of the book, *Exploring Global Trade and Singapore's Place as a World Connector*.
5. The thesis is that the crux of the matter lies in the interplay between trade and connectivity. The two key words being, "global trade", and "world connector", so trade and connectivity. Trade being the outcome of trade related policies/frameworks, actions of industrial players/manufacturers seeking comparative advantage, of the emergence of new markets, etc, and connectivity being the operational aspects of supply chain, including physical and non-physical components (including for instance, the financial, documentary, and compliance).

6. The two feed off each other. To put in a nutshell, connectivity empowers trade, and trade enriches connectivity. You cannot do one without the other. This interplay is often taken for granted until either or both is disrupted, as we have seen during the COVID crisis. And more recently, as the Minister has said, these two aspects are being subjected to rethinking and challenges.
7. To illustrate, let me tell you a story. Now this is fictitious. It is supposed to be light-hearted. It will indicate a link with the US and their actions, but it is all just to highlight that global trade is very highly dependent on making sure that every piece hangs together.
8. There was a heated argument between an American protectionist economist, and a Canadian free trade economist. The free trader was saying, "Weaponisation of tariffs for protection is a bad idea. It artificially inflates prices and hurts consumers!"
9. Protectionist rebuts, "But they protect domestic industries and create jobs, and they are important for us." So both are right, and the tit-for-tat continues, until they run out of steam without a clear winner.
10. But the American protectionist, not wanting to give in without a final lobe, then said, "You know, importing goods from overseas isn't all that great anyway. I ordered 6 pairs of socks recently, and it was supposed to arrive last week. Didn't show up. They are still stuck somewhere between China and my mailbox". To which the Canadian replied, "I know exactly what happened. They are stuck in your United States Postal Service!"
11. I know it is a lame joke, it was prompted actually by Kerry Mok, the moderator of the third lecture. He was just sharing with me how

SATS operations in some of the airports in the US were really gridlocked last week.

12. Because when the *de minimis* exception rule was abolished last Tuesday, it was literally like a nuclear button on e-commerce. There are approximately 1 billion parcels of low value, low threshold value — below US \$800 per parcel — that are arriving annually into the United States. Each of these, under the new decision on Tuesday, will have to be subject to Customs screening and duty collection. So, what ensued, without preparedness, was a log jam ... maybe the customs did not get a memo. So chaos ensued and — as Kerry was telling me — it was resolved only after Friday when the decision was reversed.
13. Policy changes, trade actions must be accompanied with a good understanding of connectivity implications, and vice versa. For instance, about 10-15 years ago, we saw the advent of mega ships coming into the market at a very fast pace. What happened was that it put some smaller ports with smaller volumes at risk of being bypassed or being marginalised and underserved. Putting the countries and economies that they support under risk of subpar growth. So they do play off each other and it is very important for policy makers and even people who are looking to the welfare of countries to take cognisance of this.
14. The success of Maritime Singapore and consequently, the exceptionally high trade to GDP ratio that we enjoy — our trade is about 320% of GDP — is one of the highest in the world. Now this success is truly testament to Team Singapore operating at its best. Regardless of the transformative forces at play at any juncture in time — from the early days of containerisation, the ascension of

China as the world factory, to IR 4.0, and to now China+1, Singapore has consistently maintained our lead in enabling this interplay between trade and connectivity — investing in both, with good decisions and good execution. Ultimately achieving the most advanced, efficient and productive service possible. Setting of standards through our pro-trade policies and posture, our globally acknowledged International Maritime Centre, ensuring that all the various pieces work together from policies to port operations, and everything in between — we always see to it that the various roles are clear, innovations are supported and performance is tripartite team based ... that is Team Singapore.

15. It was not easy to get here, and it is not easy to stay here. So, when I was asked to write this book, I thought I should reflect on the inputs from this entire community.
16. Coming back to the book. Most of you who are invited here have some relationship with the trade eco-system and/or its connective tissues — the operational parts in supply chain. And I want to call you out. I hope you forgive me for being somewhat biased, but I would call out first, our friends from PSA, and MOT/MPA, MTI, and also our partners in shipping, in industry, JTC, plus financial and other stakeholders.
17. Today there was a joint effort that was launched between SGTraDex, a digital trade infrastructure, and Association of Banks in Singapore. The trade finance registry, being supported by a good data exchange mechanism, is finally here after many years. It aims to promote access to trade financing for small and medium enterprises with the provision of high integrity data exchange infrastructure to cut down

fraud and all kinds of nonsense — another step in ensuring the right balance of connectivity supporting trade.

18. Finally, I am very honoured to have the opportunity to curate, to compose and to present the narrative of the efforts of Team Singapore, and it is with the help of colleagues from PSA, from MPA, and also from IPS, with the support of Director Devan. I also want to acknowledge and thank the moderators — Mr Patrick Lee, Mr Marcus Lam, and Mr Kerry Mok — who worked with me during each lecture, totally unrehearsed. Due to the nature of the S R Nathan series — the audience is quite broad-based — it was my first time fielding questions from the general public. It was very interesting, with a few unpredictable and occasional head-scratching moments. I would have preferred to leave it to the politicians.
19. So once again, thank you very much for being here and I do hope you enjoy the book.