

MINISTERIAL STATEMENT BY MR ONG YE KUNG, MINISTER FOR HEALTH FOR THE PARLIAMENT SITTING ON 6 JULY 2021

Making Globalisation Work for our People

Mr Speaker Sir

1 I am delivering this Ministerial Statement for two purposes.

2 First, even before the General Election last July, the PSP has repeatedly alleged that the Comprehensive Economic Cooperation Agreement (CECA) between Singapore and India allows professionals from India “a free hand”, to come and work in Singapore.

3 In his social media post on 22 Jun 2021, Mr Leong Mun Wai again said that “the most important economic policies that have affected the jobs and livelihoods of Singaporeans relate to foreign PMETs and Free Trade Agreements, in particular CECA.”

4 Mr Speaker, these statements are false. They have been repeated for too long. I am a former trade negotiator at MTI when I was a civil servant. We worked closely on several of our FTAs. I worked with a very dedicated team, who has over two decades fought hard for the interest of Singapore, to expand our economic and political space of our small island state. I feel I owe a duty to correct the falsehoods.

5 Indeed, Singaporean PMEs, like PMEs in other advanced economies, are facing challenges. Many have given us their feedback, and the Government has been taking steps to address their concerns. But

our FTAs in general, and CECA in particular, are not the cause of the challenges our PMEs face; if anything, they are part of the solution.

6 FTAs and CECA have been made political scapegoats, to discredit the policy of the PAP Government.

7 The second reason to deliver this Ministerial Statement is to put into context, on behalf of MOM and MTI, the parliamentary questions that have been posed to the ministries concerning foreign PMETs, FTAs and CECA. Dr Tan See Leng will further elaborate on the answers.

8 Taken together, Dr Tan and I will address Oral Questions 1 to 3 and Written Questions 19 to 24 from yesterday's Order Paper, and Oral Questions 1 to 6 and Written Questions 40 to 42 from today's Order Paper. A total of 18 questions.

9 Several of the questions were filed by PSP's two NCMPs, to gather data for a subsequent debate on a Motion they intend to file. Where we can, we will provide relevant data to equip all parties for that subsequent debate.

How we got here

10 Let me first recapitulate how we got here.

11 As I mentioned, for months now, the PSP has alleged that FTAs and CECA have led to the unfettered inflow of Indian Professionals, displacing Singaporeans from their jobs, and bringing about all kinds of social ills.

12 This is a seductively simplistic argument that workers facing challenges at their workplaces can identify with, and has stirred up a lot

of emotions. CECA-themed websites have sprouted, filled with quite disturbing xenophobic views about Indian immigrants.

13 Words gradually became deeds, and toxic views turned into verbal and physical assaults on Indians, including our citizens. It is sad, that serious issues concerning the economic well-being of our country and workers, have descended to this.

14 That is why the Minister for Law called out such xenophobic behaviour during the May sitting of this House, and challenged the PSP to table a Motion on CECA, so that the matter could receive a proper public airing.

15 The PSP has since made a public statement on the matter, standing by its views on FTAs and CECA. It filed various Parliamentary questions requesting for more data and information.

16 Today, I will talk about the following:

- One, what is fundamental to Singapore's ability to earn a living and survive;
- Two, why FTAs, including CECA, advance our interest, and are not the cause of the challenges faced by workers; and
- Three, what then are the causes of Singaporeans' concerns and how do we address them?

17 Dr Tan will provide more detailed answers to the specific questions, including providing the data which will be useful for our subsequent debate, and putting that data in context.

Singapore needs to embrace globalisation

18 Let me start with the first question – what is fundamental to our economic survival. Simply put, we are too small to survive on our own, and we need to tap into global markets to earn a living, and be self-reliant.

19 What do we have to start with? We have no natural resources, but we have one precious natural endowment, and that is our geographical location.

20 It is a lasting advantage, but one which requires us to work very hard to realise and sustain. If we succeed, it helps compensate for our lack of size.

21 That is what we have done. By capturing the trade flows through the Straits of Malacca and Singapore, PSA became the largest container transshipment port in the world. It is a unique interchange in the world, connecting East and West, Europe, Middle East, India and China. The port is central to the growth of the maritime industry, responsible for 160,000 jobs in Singapore today.

22 In addition to our seaport, we have also grown into a aviation node. Before Covid-19 hit us, Changi was one of the busiest airports in the world – and it shall be so again – though in aviation terms our geographical location is not quite ideal. We made it happen, with a renowned Changi

and SIA experience. Before COVID-19 struck, the aviation-related industry here supported 190,000 jobs.

23 With these global connections to the world, we built up the manufacturing sector, about one-fifth of our GDP today. We obviously don't manufacture just for Singapore – we are too small; but we are manufacturing for the world. Manufacturing supports another 440,000 jobs today.

24 Our exports also include trade in services. One growing services sector is the financial services. Today, almost every major global financial services institution is in Singapore, carrying out a range of activities including new ones such as FinTech and Green Finance. The financial services sector employs over 170,000 people.

25 We are also becoming a centre for technology, research and development. Many global technology firms – FAANG, BAT and many more – are in Singapore, making Singapore their regional or global innovation centres or engineering hubs.

26 Today, around 50,000 international companies¹ operate out of Singapore. 750 of them have made Singapore their regional headquarters².

27 None of these would have happened without a clear strategy, implemented well.

¹ International companies are defined as those with <30% local ownership.

² Regional headquarters are companies whose primary activities are considered as activities of head and regional offices, centralised administrative offices and subsidiary management offices. This is based on companies' primary business activity and does not include companies whose HQ functions are their secondary activity.

28 It was a long and painstaking process, part of the story of our island-nation. Clean government, rule of law, safety (you can walk on the streets at any time of the day), political stability, good infrastructure, high standards of education, openness to the world – all this, and more, come together to make us a good place to invest.

29 I should emphasise that another big plus point for us is the quality of the Singaporean workforce. Our people are well known to be well-educated, diligent, responsible, trustworthy, and we get things done. We have one problem – that there are too few of us, of Singaporeans – a point which I will come back to later.

30 On top of all these plus points, we have built a network of 26 FTAs including with US, China, EU, Japan, ASEAN, India, South Korea, Australia, New Zealand, etc. – all our major markets and they are all our FTA partners.

31 This brings me to the next topic, why FTAs, including CECA, are important to Singapore.

It is in Singapore's interest to pursue FTAs

32 We started our FTA strategy in the late 1990s. We thought through it carefully and executed before other countries did. It has given us a very precious early mover advantage, and greatly boosted our efforts to export, attract investments, venture overseas, and create good jobs for Singaporeans.

33 Our total trade in goods and services is three times our GDP. Since 2005, our total trade has nearly doubled from around S\$890 billion to S\$1.5 trillion.

34 Today, when EDB goes out and persuades investors to come to Singapore, our network of FTAs is always a major selling point.

35 FTAs are especially important to our SMEs. They free them from being constrained by our small domestic market, and give them access to global markets. Our SMEs are sending all kinds of Singapore-made products overseas, from canned food, barbecued pork and frozen roti prata to medical devices, machines, components and chemicals.

36 FTAs are also spurring our companies to venture abroad. Our investments overseas increased nearly five times, from S\$200 billion in 2005 to over S\$930 billion in 2019. When our companies grow overseas, they become stronger, and also employ more Singaporeans here.

37 If we accept the basic reality that Singapore needs the world to earn a living, then we would realise the fundamental importance of all our FTAs. They are a keystone of the economic super-structure we have built. We could not have advanced the welfare of Singaporeans to the degree we have without FTAs.

38 We cannot take all this for granted. We recently fell in the 2021 IMD world competitiveness ranking from 1st place to 5th. Amongst the components evaluated, we continue to do well in areas such as government efficiency and economic competitiveness. However, we lost ground in terms of our openness towards global talent and trade .

39 I hope this is temporary, due to the effects of COVID-19. Overall, we are still holding our own in terms of foreign investments. In 2020, even as 45 companies ceased operating their regional or global headquarters in Singapore, over 130 companies set up such headquarters here.

40 When you attack FTAs, and worse if your attack succeeds, you are undermining the fundamentals of our existence, of the way we earn a living, all the sectors FTAs are supporting, and the hundreds of thousands of Singaporean jobs created in these sectors.

41 As the attacks on FTAs, especially CECA, have been very specific, let me explain how an FTA works. To prepare for this statement, I had to dig up my old negotiating notes and do quite a bit of revision!

42 The key disciplines of an FTA are as follows:

43 It requires a country to remove or lower tariffs on substantially all trade between FTA partners. This is of tremendous benefit to Singapore, because while other countries customarily impose tariffs on thousands of items, we are already very open, imposing duties on only three alcohol products – beer, stout and samsu. Hence, any FTA that substantially removes tariffs imposed by both parties is inherently beneficial to Singapore.

44 FTAs also require Governments to accord protection to foreign investments and ensure that regulations are imposed fairly and equally on both local and foreign firms. They also set standards on the protection of intellectual property.

45 Singapore always protects foreign investments and applies our regulations fairly. This makes us attractive to foreign investors. Abiding to these principles and disciplines is not a problem to us at all.

46 In fact, as more of our companies expand overseas and create their own products, they too hope that Singapore can negotiate similar protection for them when they go overseas. The investment and intellectual property protection disciplines in FTAs are therefore important assurances for our companies.

47 Newer FTAs also set certain environmental and labour standards. Not every country supports such disciplines, but Singapore believes that they reflect contemporary concerns relating to free trade and investments.

48 Specifically, on CECA, this FTA with India benefits Singapore in many ways. Signed in 2005, it was India's first comprehensive bilateral FTA with any country. CECA gave Singapore a strategic first-mover advantage in India, just when it was taking off to be an economic powerhouse.

49 CECA reduces tariff barriers, which made Singapore goods more competitive in the Indian market. Partly because of that, bilateral trade between Singapore and India has grown by over 80%, from S\$20 billion when CECA came into force in 2005, to S\$38 billion in 2019.

50 Similarly, Singapore's direct investment abroad in India grew by nearly 50 times, from S\$1.3 billion to S\$61 billion during the same period. In 2019, 660 companies from Singapore have investments in India, almost double the number (nearly 370) a decade ago.

51 As these companies grow regionally, they hire more people back home too. In 2019, they employed 97,000 locals.

52 Despite these significant benefits, FTAs are controversial in many countries. As a trade negotiator I have listened to the sensitivities of many of our partners.

53 Some countries wished to protect certain sectors, such as agriculture, which Singapore does not do. Others could not live up to, say, the transparency standards of Government procurement or intellectual property protection. Still others are concerned about the influences of foreign culture through the arts and entertainment industry.

54 The toughest job of the negotiator is to identify these sensitive areas and find ways to protect or address them.

55 In our jargon, we call the protections ‘exceptions’ or ‘carve-outs’. When we have a big carve-out, with strong protection in sensitive areas, we will say “this carve out allows a jumbo jet to fly through!”.

56 In some sensitive areas it is easy to negotiate exceptions or ‘carve-outs’, because everyone agrees. One example is right of taxation. Another is national security. A third one is immigration.

57 Every country holds the view that there cannot be unfettered movement of people across borders. That would create social unrest and a public uproar. Governments must retain the ability to impose immigration and border controls, and FTAs cannot undermine that.

58 Hence, in all FTAs and WTO agreements, you will find that immigration powers are strongly and prominently preserved and protected. You can find such standard clauses in the WTO Agreement, as well as in all our FTAs, including CECA.

59 As so many falsehoods have been said about the immigration-related parts of CECA, let me set out in some detail what is really in the agreement.

60 Immigration matters are set out in Chapter 9 of CECA – Movement of Natural Persons. The legal text is available online, so I will only detail the salient points:

61 One, the chapter makes it clear that the Government's ability to regulate immigration and foreign manpower is not affected by the Agreement. The Government retains full rights to decide who can enter the country to live, work or become PRs or citizens.

62 This is set out clearly in two clauses. They are standard clauses, commonly found in all FTAs. They are the second and third paragraphs of Chapter 9 of CECA, so it is hard to miss them, as you can see them on the first page:

Clause 9.1.2: 'This Chapter shall not apply to measures pertaining to citizenship, permanent residence, or employment on a permanent basis.'

Clause 9.1.3: 'Nothing contained in this Chapter shall prevent a Party from applying measures to regulate the entry or temporary stay of natural persons of the other Party in its territory, including

measures necessary to protect the integrity of its territory and to ensure the orderly movement of natural persons across its borders...'

63 Two, the obligations relating to Movement of Natural Persons in CECA, as in all FTAs, are not broad principles with wide applications, but highly specific.

64 What are these broad principles that you can find in FTAs? One broad principle is National Treatment. It is found in some chapters of FTAs, like Trade in Services or Investments. This means you cannot discriminate against foreign service providers and investors. So, regulations and benefits that apply to local firms must apply evenly to foreign-owned ones.

65 If immigration had not been carved out, and if the National Treatment principle had been incorporated into the Chapter 9 of CECA, then indeed, Indian workers would have been treated like Singaporeans, and would have had free rein to come to live and work in Singapore.

66 This is what the PSP claims. Except that there is a strong immigration carve out, and National Treatment is not found in this Chapter of CECA, nor any other corresponding Chapter in the FTAs that Singapore has entered into.

67 Mr Speaker Sir, I emphasise and underline and highlight this: **nothing in the agreement implies Singapore must unconditionally let in PMEs from India.** Contrary to PSP's claim, our ability to impose requirements for immigration and work pass, has never been in question in CECA or any other FTA that we have signed.

68 Instead, the obligation that Chapter 9 imposes on the Parties is to process applications for temporary entry with some expedition, and a certain transparency, such as informing applicants of the outcomes and not leaving them in suspense.

69 We also have to accord a certain duration for the validity of the permits. But this is subject to the applications meeting our prevailing work pass conditions.

70 Such a commitment on duration is not something unique to CECA, because similar commitments exist in other FTAs and are found in the WTO Agreement, signed by 164 Members, including Singapore.

71 Many parties to FTAs also commit not to impose labour market tests. This is a common clause in our FTAs, including with India, Australia, China and the US.

72 It means we do not insist that companies go through onerous processes and documentation to prove that no suitable locals will take a job, before they can hire a foreigner. Companies in Singapore, or any other place, do not hire in this way. The common and best practice is to interview the suitable candidates, consider them all fairly, and make a judgement on the best person.

73 These are all market-friendly, widely adopted, reasonable obligations.

74 Let me also specifically address two aspects of the chapter on Movement of Natural Persons in CECA, that have been singled out for criticism.

75 First, the PSP pointed out that CECA listed 127 categories of professionals, hence claimed that Indian nationals in these professions can all freely come here to work here for one year. This is false, because as I explained earlier, all foreign PMEs have to meet our work pass conditions in order to work here.

76 The listing shows the types of Indian professionals who may apply to work in Singapore. Does not mean we must approve them. India for its own reasons requested for such a list, similar to what they have in their FTAs with Korea and Japan. In fact, even if they had not listed the professions, their PMEs could still submit work pass applications to work here.

77 This is in fact how other FTAs work: with or without listing of professions, nationals from our FTA partners are not precluded from submitting work pass applications, which will be evaluated based on our prevailing criteria and work pass conditions.

78 Thus the point being made by PSP on the list of 127 professions is a red herring – the list does not confer any free pass to any Indian nationals.

79 Second, there have been complaints that intra-corporate transferees from India can also freely enter Singapore to work.

80 Based on my explanation on how the Chapter works, this again is not true. Intra-corporate transferees also have to meet our work pass qualifying criteria.

81 In any case, the total number of intra-corporate transferees, from all over the world and not just India, that have come to Singapore to work is very small. In 2020, there were only about 500 intra-corporate transferees from India in Singapore – less than 0.3% of all EP holders.

82 So, Mr Speaker Sir, I hope we can put a stop to all this misinformation about our FTAs in general, and CECA in particular.

The real challenges

83 Nevertheless, it is important that we need to recognise that PMEs in Singapore do face challenges.

84 I see three challenges at least.

85 First, there is more competition from foreign PMEs. Indeed, the number of EP holders has increased, from 65,000 in 2005, to 177,000 in 2020 – an increase over 15 years of 112,000, or an annual growth rate of just under 7%.

86 Over this period³, the increase in number of local PMEs increased is much higher, by over 380,000.

87 These numbers underline an important point: that competition between foreign and local PMEs is not a zero-sum game.

³ Residents data is not available for 2005 as the Labour Force Survey was not conducted in 2005 due to the conduct of the General Household Survey. Hence, data for the closest available period of June 2004 was used for comparison periods that involve the year 2005.

88 In fact, the converse is often true. By combining and complementing local and foreign expertise, we can attract more investments and create many more good job and career choices for Singaporeans.

89 The downside is that with more foreign PMEs in Singapore, they can compete for jobs with locals at the company level, and there can be a zero-sum situation there.

90 So there is a trade-off at play here: (A) many jobs, strong competition, or (B) few jobs, no competition. We need to find the right balance where there are more jobs, some competition.

91 That is the way to advance the interest of Singaporeans – not swing to an extreme position, but strike a careful balance, and adjust if we find the balance is off.

92 If someone promises you many more jobs with no competition from foreigners, he is selling you snake oil. It is not possible. It cannot be on any government's policy menu.

93 I should point out that besides complementing our local workforce to create more opportunities, foreign PMEs also help cushion the impact on the local workforce when times are bad. Because during a downturn, foreigners bear the brunt of job losses.

94 During COVID-19, for the 12 months to April 2021, the number of Employment Pass holders dropped by about 21,600, and S Pass holders fell by about 26,800.

95 Unemployment rate for local PMEs in Jun 2020, despite the Circuit Breaker, was at 2.9%. Resident unemployment rate was 4.8% in September 2020, and it fell to 3.8% in May 2021 – a reduction of one percentage point. Without the foreign buffer, when our economy ran into trouble last year, the situation would have been much worse. Singaporeans would have lost many more jobs.

96 While the stock of EP and S Pass holders can fluctuate, Singaporeans enjoy greater security of employment, with help from measures like the Jobs Support Scheme. We have the National Jobs Council that launched many initiatives to help place locals into jobs.

97 So when Mr Leong Mun Wai said that we need to recoup a few tens of thousands of jobs from foreign work pass holders, he may not know that we have already done so. This always happens in a downturn.

98 The second challenge is the profile of the foreign PMEs. They are concentrated in certain sectors, and from certain countries of origin. Indeed, as our digital economy and our needs for tech talent grew, more PMEs from India came into Singapore, through our EP framework.

99 And when the concentration happens in areas like Changi Business Park, some may feel that we have lost a part of Singapore. Members of the House have raised this concern. We are taking this seriously and studying what we can do to lessen the problem.

100 I hasten to add that dealing with excessive concentration is not a straight-forward matter of chopping up the operations of a company here. We don't want to unintentionally cause the whole investment to move

elsewhere. This will hurt even more Singaporeans. This has to be part of the careful balancing act I talked about earlier.

101 Third, at the company level, there may be unfair hiring practices, with department heads preferring to hire foreign PMEs, or even foreign PMEs from certain countries.

102 This is not right. Whatever system we set up, there will be some abuses. We must tackle the abuses when they occur as swiftly as possible, while continuing to adopt sensible economic policies that are good for Singapore and Singaporeans.

103 MOM takes a strong stance against such discriminatory practices and together with our tripartite partners, has been actively enforcing against errant employers. The Minister for Manpower will speak further on this.

104 I have explained the underlying reasons for the difficulties faced by our PMEs, so that we know what it means for us in terms of public policy choices, and how we can most effectively address the challenges. If we mistakenly blame FTAs and CECA for these problems, our responses would be disastrously wrong and we would make our problems worse.

105 Mr Speaker sir, let me say something in Mandarin.

政府深切地了解新加坡专业人员、经理和执行人员在职场上感到的压力，他们担心被外地专业人士所取代。而有些公司雇佣了不少外地人，让新加坡员工觉得不自在，觉得陌生。

许多民众和议员向政府反馈了这个问题。政府认真看待民众的担忧，并且已经采取行动，着手解决问题。譬如，我们已经提高引进外来专业人士的门槛，收紧外来人员的流入。我们也更严厉地进行执法，调查和处分那些歧视本地人的雇主。

我们对待问题的时候，应该查清楚导致问题的真正原因，才能对症下药。可是，在过去的一年，新加坡前进党并没查明真相，便硬说新加坡-印度的自由贸易协定(简称 CECA)是罪魁祸首，说这个协定让大量印度籍人员毫无节制地涌进新加坡，夺去新加坡人的工作。前进党也说，我们签订的所有自由贸易协定损害了新加坡人和我们的经济的利益。

很不幸的，他们已把自贸协定政治化，成了他们攻击政府的武器。

他们的说法，不正确，模糊了事实。这种言论，也挑起了一部分国人的排外情绪。这不但于事无补，还会损害新加坡人的生计，赔上国家的繁荣，以及下一代的幸福。

我在从政前，是名公务员，曾经参与谈判自贸协定的工作。我有责任更正没有依据的指责。我想在这里阐明四点：

第一，新加坡的经济支柱是什么？ 我们是个弹丸小国，缺乏天然资源。新加坡的经济自主，成功的关键在于我们能不能放眼世界，借助全球化的趋势，引进投资，引进外资，进军国际市场来弥补国家资源的不足，土地小的不足。这样，国人才能安居乐业，年轻人可以追逐梦想。

第二，与各国签署的自由贸易协议的用意是什么？ 我们通过谈判，向伙伴国家争取 关税豁免，以促进我国的出口。这对我们的中小企业特别重要。因为新加坡的市场真的是太小了。

自贸协定可以让我们的中小企业打入国际市场，大展拳脚。

我国与世界各地签署了 26 项自贸协定。亚细安，中国，美国，欧盟，日本，韩国，印度，澳大利亚，新西兰等等，都是我们的主要市场，也是我们的自由贸易伙伴。

自贸协定也帮助我们招商引资。经济发展局经常说，当他们说服跨国公司来新加坡投资时，推销的一个重点是我们的自贸协定网络，我们的二十六自贸协定。

当投资商来到新加坡，我们的自贸协定能帮助他们进军世界各大主要市场。此外，在自贸协定的规定下，新加坡政府也有义务给他们的投资一定的保护。

第三，为什么前进党的说法不正确？ 因为他们歪曲了自贸协定的用意，歪曲了新加坡谈判团队的用心，他们冤枉了我们。

他们说 CECA 让在印度 127 个专业类别的人士，可以自由入境，到新加坡生活和工作。这种说法其实是荒谬的。

127 个专业类别是协议里列出来的一个清单，好让相关人士参考。意思是说你可以申请到新加坡工作，并不是说你一定会被批准。最终，申请者还是必须先符合申请工作准证的先决条件，才能获得就业准证，来新加坡工作。

在我们所有的自贸协定里，我们的移民和外籍人才政策保持不变。谁能够入境新加坡，谁能得到工作准证，谁能成为永久居民，谁能成为公民，都是由我们全权决定。

第四，那我们新加坡专业人士的压力，来自哪里？ 简单来说，来自全球化经济的竞争，全球化的经济。我们一方面必须开放市场，为国人打造机遇，另一方面处理它所带来的所有竞争。我们打开了窗，阳光和苍蝇都进来了。

但外来竞争并不完全是零和游戏。若我们减少引进一些外国专才，不等于国人必然就有更多的工作机会。相反的，本地和外来专才能够相辅相成，一起吸引更多外来投资，制造更多好的就业机会。

所以作为一个依赖全球经济的小国，我们要面临以下的简单选择：

(A) 很多竞争，很多工作；还是

(B) 很少竞争，很少工作？

两个极端我们都不是想要。我们要找的是一个平衡点，不能够矫枉过正。

要确保国人继续有足够的，好的工作，一些竞争是难免的。

如果有人对你敲锣打鼓，说他能给你一个“没竞争，多工作”的经济模式，这个人肯定是吹牛、乱卖膏药。

我们面临的另一个挑战是，我国正在全力发展数码和信息科技。在这个世界里，数码专才，中国和印度最多。中国专才都倾向于留在当地工作，因为他们的独角兽多。而印度专才则往外地寻求发展，因此，在新加坡相对来说印度籍数码科技专业人士变得比较多。

这是我们必须正视的现象。政府部门正在同业界人士探讨是否能够采取离岸外包的作法，让我们只留下较高端的工作，以减少外来人才数目。不过我们必须谨慎处理，确保不会流失整个的外来投资。

我们应该继续讨论如何解决问题，保障新加坡人的就业机会，使新加坡人在公平竞争的环境下脱颖而出，而但是请不要随意听取不确实的言论排斥自由贸易协议和 CECA，以免动摇新加坡开放经济的根基。

我们注意到，世界上很多国家都面对了排外主义的问题。我们不能让它在
新加坡生根。我们应该设法消除人民的忧虑，解决人民的问题，政府有决
心这么做。但我们需要新加坡人的配合，同心协力，一起守护国家繁荣的
基础。

Be careful of the rise of xenophobia and nativist politics

106 Mr Speaker Sir, as I explained earlier, our FTA strategy has benefited Singaporeans and Singapore. So it is disappointing that FTAs are now a target of political attack. But perhaps I should not be surprised, as this has happened in many countries.

107 Such debate goes beyond FTAs. The question of global versus local has emerged as the new dominant political divide in democracies around the world.

108 In the US, labour unions and various industry lobbies are against free trade. The Trump Administration pulled out of the Trans-Pacific Partnership within a week of taking office, even though the US was the architect of the agreement.

109 In the UK, Brexit was the culmination of a bitter political contest between those who want to be part of the European Union, and those who wanted out.

110 In France, the next Presidential election is likely to be a face-off between the incumbent President and the far-right nationalist candidate.

111 These political divides arose because of globalisation. While globalisation presents opportunities and creates jobs, it also brings about greater competition, the displacement of industries and jobs, and inflow of immigrants.

112 These consequences go beyond the economic sphere, and often strike at the heart of a nation and a community's sense of identity and security. That is the most unsettling change, causing people to become unsure if they are on the whole better off with globalisation.

113 Such concerns are genuine, and deserve serious and proper attention. We are a small country, and an unrestricted flow of workers from a large country can change the lived experience of Singaporeans, alter the character of our society, and even overwhelm us. But we need to be careful that these valid concerns are not exploited by political groups, and intentionally or not, end up sowing division, stoking fear, and fanning hatred.

114 As representatives of the people, we all have a responsibility to realise that our words and deeds can shape public opinion and the direction of our political discourse.

115 That is why when Mr Leong Mun Wai said in this House some months ago that the naturalised Singaporean CEO of DBS was not 'home grown', and deemed this a failure, Minister Iswaran responded with a word of caution. I agree with Minister Iswaran, and feel that Members of the House should be very careful about what we say on such matters, if we are not to give credence to very negative, even ugly, minority views.

116 That is also why we appreciate the Leader of the Opposition standing up to say that when it comes to racism and xenophobia, we all have to reject them and there can be no 'ifs and buts' about it.

Conclusion

117 Mr Speaker Sir, before I conclude, let me remind Members that the House has invoked Standing Order 44, so that the members from the PSP can give a full response after Dr Tan See Leng's speech. Even if Mr Leong Mun Wai and Ms Hazel Poa choose not to, I will be happy to clarify questions from members.

118 The PAP always fights for the welfare of Singaporeans. We have done so for more than 60 years now – kept our country safe, brought jobs to Singaporeans, built up our infrastructure, and taken care of the welfare of all.

119 As a city state connected to the world, we want to welcome diverse talent from all over the world.

120 When they are here, we invite them to fit into our society, respect our social habits and norms, appreciate our multi-cultural society. Join us at the hawker centres, try some durians and try some sambal belacan, speak a few phrases of Singlish.

121 When Singaporeans go overseas to live and work – and about 200,000 of us do – we expect the same of ourselves, and hope that we receive hospitable welcomes from our foreign hosts too.

122 I decided to make this statement today, so that we can approach the debate on the PSP's subsequent motion with the right perspective and motivation. The House should continue to debate robustly the pros and

cons of various policies to help Singapore navigate the balance between global and local.

123 But we must not inadvertently shake the bedrock that has enabled Singapore to succeed. We cannot survive – we cannot earn a living – without being connected to the world, and without being welcoming to the world, without the House unanimously supporting the FTA strategy.

124 We must always be a big-hearted people, even while we grapple with the significant challenges of globalisation to forge the best path forward for Singapore.