RESPONSES BY PRIME MINISTER LEE HSIEN LOONG
TO QUESTIONS FROM AUSTRALIAN MEDIA

1) Australia-Singapore relations

*How would the Prime Minister characterise Australia-Singapore relations across the trade, investment, military and people-to-people dimensions? What will the ASEAN Australia summit achieve? (The Australian)*

*Australia and Singapore recently upgraded the relationship to a comprehensive strategic partnership, what more can be done to strengthen defence, economic and diplomatic ties between Australia and Singapore? (Fairfax Media)*

1. Relations between Singapore and Australia are strong and multifaceted, underpinned by similar strategic interests and perspectives. The Comprehensive Strategic Partnership (CSP), signed on the 50th anniversary of our bilateral relations in 2015, anchors the relationship across many areas, including security, economic and people-to-people cooperation.

2. Bilateral defence ties are deep and longstanding. Singapore and Australia are both members of the Five Power Defence Arrangements. Our armed forces have operated together in Timor Leste, Afghanistan, and the Middle East, and frequently exercise together. We deeply appreciate Australia’s steadfast and generous support for our defence training needs. Singapore will invest up to A$2.25 billion to jointly develop training areas and facilities in Queensland. This will benefit both defence forces, as well as the local economy in Queensland.

3. In economic cooperation, the upgraded Singapore-Australia Free Trade Agreement (SAFTA) will bolster bilateral trade and investment, and provide professionals and businesses more opportunities in each other’s economies. Both countries recognise the need for stronger regional economic integration. Singapore supported Australia when it launched APEC in 1989, after multilateral trade negotiations deadlocked. Today, we remain like-minded partners, working closely together on the Comprehensive and
Progressive Agreement for Trans-Pacific Partnership (CPTPP), which has just been signed and is now awaiting ratification by the member countries.

4. People-to-people links between Singapore and Australia are strong. One million Australians visit Singapore every year, and 400,000 Singaporeans visit Australia. Australians enjoy visa-free travel to Singapore, and new visa schemes, such as the Work and Holiday visa programme and Australia’s six year visa for Singaporeans, will further enhance business and tourism links between our two countries. Other initiatives like the New Colombo Plan and the Australia-Singapore Arts Group will deepen friendships and mutual understanding between our peoples.

5. The CSP is a long-term undertaking. Ministers and senior officials meet regularly to track implementation and find new ways to deepen and broaden cooperation. Singapore is keen to update our Avoidance of Double Taxation Agreement (DTA) to catalyse trade and investment flows between Australia and Singapore, and to conclude an Open Skies Agreement, which will enable airlines of both countries to serve travellers better, increasing interactions and opportunities to work together.
2) South China Sea and Freedom of Navigation

What can Australia and Singapore do together to resolve tensions in the South China Sea between competing states and make the region more stable? (Fairfax Media)

Is the Prime Minister concerned about Chinese military assertiveness, especially in the South China Sea, and does he support US freedom of navigation exercises there? Is the US credible in its security commitments in Asia? Would the Prime Minister like to see Australian freedom of navigation exercises? (The Australian)

6. As non-claimant states, it is not possible for Australia or Singapore to solve the problems of the South China Sea. Interested states can help keep the situation under control by observing international law and international norms, and agreeing to rules which minimise the risk of incidents and escalation. Over the past year, tensions in the South China Sea have cooled down somewhat. Regular exchanges between ASEAN Member States and China have created a more conducive environment for dialogue and cooperation, and negotiations have commenced on a Code of Conduct in the South China Sea.

7. Singapore does not have any claims in the South China Sea, and we do not take sides on the competing claims of the claimant states. However, like Australia, Singapore depends on a peaceful and stable region which supports and promotes free trade and open markets. We share similar outlooks on the importance of international law and the peaceful settlement of disputes. We both have a vital interest in freedom of navigation and overflight in the South China Sea. We should continue to uphold these principles.

8. It is also important that ASEAN stays cohesive and relevant. As ASEAN Chair and country coordinator for ASEAN-China relations, Singapore will work with all parties to find common ground so that we can manage the disputes and overlapping claims.
9. Other powers, like the US and India, also have an interest in ensuring freedom of navigation, not just in the South China Sea but many parts of the world. They will take their own actions to protect these interests. The US, for instance, conducts freedom of navigation operations (FONOPS). They do not consult Singapore. Indeed, China has an interest in freedom of navigation too, not just in the South China Sea, but also notably through the Straits of Malacca.

10. From the region’s perspective, the most critical issue is the political and strategic resolve of the US to project a reliable and constructive presence as a Pacific power. At last year’s Shangri-La Dialogue, US Defense Secretary James Mattis referred to the Asia-Pacific as a “priority region” for the new Trump Administration, and affirmed the US’ commitment to the region’s security and prosperity. Many countries, including Australia and most ASEAN members, support and welcome this US stance.
3) Trade, Protectionism and TPP

What is the Prime Minister's view of President Trump's decision to impose tariffs on steel and aluminium? Is the Trump administration protectionist? Does the TPP 11 deal counter regional protectionism and what benefits will it bring? (The Australian)

How has Donald Trump's America-first policy affected US involvement in the region? Are you concerned about a global trade war given Donald Trump’s recent announcement on steel and aluminium tariffs? (Fairfax Media)

What does Singapore hope to achieve from the TPP11? Do you think the US will join eventually? (Fairfax Media)

12. Whether or not we label the Trump Administration as protectionist, it is clear that they take a radically different approach towards trade. They have basic reservations about the multilateral trading system and are looking for bilateral trade deals and reciprocity. This year they have taken specific steps to protect domestic industries, first on solar panels, and now with tariffs on steel and aluminium. Singapore too has been impacted by these actions. Beyond their direct impact, these trade measures have set a precedent, and other countries will be under pressure to retaliate. If trust is broken and tit-for-tat trade wars break out, all countries, big or small, will suffer.

13. As a small nation with an open economy, Singapore is a firm believer in free trade and an open rules-based multilateral trading system. This system has benefited countries big and small. It is therefore even more critical that Australia and Singapore work with other like-minded countries to uphold the WTO system, and to promote trade liberalisation and regional economic integration.

14. Singapore is therefore pleased with the signing of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). The CPTPP is a significant achievement for its 11 members. In particular, PM Turnbull, Japanese PM Shinzo Abe and their teams worked very hard to keep the
group intact after the US withdrew from the deal. The CPTPP, a high-quality agreement which includes some of the fastest growing economies of the world with important markets and production bases, will set a new standard for free trade agreements. The Agreement also sends an important message that countries must not give up striving collectively for trade liberalisation and regional economic integration, in order to create better opportunities for our peoples.

15. The CPTPP is intended to be an open and inclusive FTA. The door is open for the US, China and other countries to join when they are ready to meet the CPTPP’s standards. I hope the US will find its way to join one day, though I do not realistically expect that to happen soon.
4) Regional Security

Does Singapore support the Quadrilateral Security Dialogue between the US, Japan, India and Australia? (Fairfax Media)

Does Singapore support the free and open Indo-Pacific strategy being pursued by Japan and, now, the United States? (Fairfax Media)

16. Since the war, the US has been the key anchor for regional security in Asia. In recent years, as China’s economy took off, its influence and interest in the region has grown correspondingly. India’s economy and influence have grown too, though more slowly – India’s GDP is now about a fifth of China’s. How these rising powers can integrate into the international system without destabilising it, and how other countries can accommodate legitimate interests of the new powers, will significantly impact regional peace and stability.

17. In a changing strategic environment, it is to be expected that countries will explore fresh configurations and alignments. The Quadrilateral Security Dialogue and the Free and Open Indo-Pacific are some of the new or resurrected responses. Some of these initiatives will grow, others will evolve in purpose and membership. It is a Darwinian process. We hope that the eventual outcome will be an inclusive and open regional architecture, where all countries engage one another peacefully and constructively. We do not want to end up with rival blocs forming or countries having to take one side or the other.

18. ASEAN has played a major role in the regional security framework. I think the best way forward – for ASEAN as well as other countries – is to strengthen ASEAN’s role, and enhance ASEAN Centrality in close partnership with all ASEAN Member States and Dialogue Partners. This will be acceptable to all countries, and will provide a basis for peace, stability and economic development in the region.
5) Belt and Road

_Singapore has signed up to the Belt and Road Initiative. Do you think Australia should join BRI too? (Fairfax Media)_

19. Singapore sees China’s Belt and Road Initiative (BRI) as positive. China’s economy has grown. Its influence in the world has grown too. China aims to continue growing its influence, and to become a powerful country by 2050. This is a legitimate ambition. The BRI is a way to help this happen peacefully and through win-win cooperation with China’s neighbours. It is a comprehensive strategic plan for China to work more closely with partners in Europe, Asia and even Africa, by developing transportation, trade, investment and financial links.

20. At the same time, China’s partners will want to maintain and grow their links with other countries – the US, the EU, Japan, and Australia. That is the best way for the global economy to work, both politically – to avoid rival regional blocs forming, and economically – for all countries to benefit from a global market and global division of labour.

21. Singapore supports the BRI. Singapore has a government-to-government BRI project with China in Chongqing. It is the Chongqing Connectivity Initiative (CCI), which among other things links up the overland silk route (from China through Central Asia to Europe) with the maritime silk route (from China through Southeast Asia to the Indian Ocean and beyond) through the Southern Transport Corridor. Singapore is also a founding member of the Asian Infrastructure Investment Bank. So is Australia.

22. Countries should look at BRI projects individually on their merits, and assess whether they make sense. Australia will have to decide what is best for yourselves, in the same way as you carefully considered and ultimately decided to join the Asian Infrastructure Investment Bank.
6) ISIS and Terrorism

Does the defeat of ISIS mean an influx of returning jihadists to Southeast Asia? Is the Prime Minister concerned about growing conservatism and intolerance in Southeast Asian Islam? (The Australian)

23. ISIS is being defeated militarily in Iraq and Syria, but its ideology is far from dead. ISIS’ territorial ambitions are to “rule all Muslim lands” and establish a global Islamic caliphate spanning Middle East to Asia. ISIS sees Southeast Asia, which has 240 million Muslims, as a fertile recruitment ground. It has targeted its propaganda at Southeast Asia, attracting recruits and encouraging supporters to launch attacks. It has put out several propaganda videos in Malay and English featuring Southeast Asian fighters, including one Singaporean.

24. I worry that our region faces a heightened threat of attack from returnee fighters and radicalised individuals, persuaded by ISIS’ calls to carry out attacks where they live. For example, in 2017, an Indonesian who had returned from Syria fatally stabbed a policeman in Medan, Indonesia. Fighters from other parts of the world, unable or unwilling to return to their home countries, may also seek shelter somewhere in Southeast Asia. In recent weeks the Philippine authorities have arrested several foreigners, including a Spaniard with alleged links to the Abu Sayyaf Group, and an Egyptian believed to be a commander of ISIS.

25. The danger of a successful terrorist attack is not only to life and limb, but also the social fabric. Many Southeast Asian countries are multi-racial and multi-religious. The damage to societal trust and inter-communal ties would be hard to repair. It could have ramifications across Southeast Asia, including Singapore, even if we ourselves are not attacked.

26. Australia is exposed to these dangers too. Singapore and Australia cooperate closely on counter-terrorism. And I am happy that as part of the ASEAN-Australia summit this weekend, we will be holding a Counter-Terrorism Conference.