

EDITED TRANSCRIPT OF SPEECH BY MINISTER FOR FOREIGN AFFAIRS DR VIVIAN BALAKRISHNAN AT THE ITALY-ASEAN ASSOCIATION, 19 DECEMBER 2019 IN ROME, ITALY

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Vice Presidents Romeo Orlandi and Michelangelo Pipan

Secretary General Alessia Mosca

Excellencies

Ladies and Gentlemen

Thank you for the opportunity to address you. It is not my first visit to Rome, but my first visit to Italy and the Eternal City as Foreign Minister. I had an opportunity to see parts of the city in the last two days. There are many layers of history in Rome, and I was struck by Italy's rich history: from its ancient ruins of Roman times to Renaissance masterpieces, to the digitalisation of today.

Singapore – Global Port City

This year Singapore commemorates its bicentennial, marking 200 years since its founding as modern Singapore, a bustling entrepot port at the strategic centre of Asia's waterways. In fact, Singapore had been an entrepot port for about seven centuries before independence. Almost 150 years later, in 1965, we gained our independence. At that time, our GDP per capita was US\$500; today it exceeds US\$50,000 – a hundred fold increase. At the point of independence, prospects for survival were bleak. We had a small population, no economic hinterland, no natural resources. Even to this day, everything we eat, drink, wear, and use is imported. Perhaps because we were in such dire circumstances, we ended up with a population that was hard-working, disciplined, determined.

Equally important, the Government was forced to make some unconventional decisions back in 1965. Again, I need you to think about the conventional political wisdom in the 1950s and 1960s amongst newly independent, decolonised countries. At that time, import substitution was the popular economic paradigm. In Singapore's case, rather than focus on import substitution, we chose to open our doors and welcome multi-national companies, western technology, their networks, and management models with the aim of becoming a bustling industrialised "global city" before it became fashionable and a vital node in global supply chains. And mind you, the term 'globalisation'

had not yet been invented. My point was that we were forced to become a global city before it became fashionable.

Another point I want to add is the role of Italy in our transformation. Italy has been a longstanding friend and reliable partner since that period and, in fact, has been part of our development story. Italy was one of the first few countries to recognise our independence in 1965. In 1970, Italian semiconductor design and manufacturer STMicroelectronics set up its first assembly plant in Singapore. STMicroelectronics is still here and now has its headquarters for the Asia Pacific in Singapore. STMicroelectronics is one of over 600 Italian companies that have established themselves in Singapore. And several, like the Ferrero Group, have tapped on our educated workforce, and opened their first Asian Innovation Centre in Singapore in 2017. They continue to grow and invest in Singapore.

As Singapore developed, Singapore in turn has made significant investments in Italy. GIC owns the Roma Est shopping centre about 15km away from here. PSA International operates PSA Voltri Pra in Genoa and PSA Vecon Venice. Even a local small medium enterprise from Singapore, called Skin Inc, has expanded into Italy and opened its first store in Milan in 2015. The point that I am making is that the interconnections between Singapore, Italy, and Southeast Asia go back a long way.

Global Networks – Ancient and Modern

Like Singapore, trade and maritime commerce have been a part of Italian history for many centuries, if not millennia. Italians have long held a fascination with Asia. Rome traded with the Han Dynasty in China and *Tamilakam* in Southern India and Sri Lanka. Romans purchased silks, pearls and spices while the Ancient Chinese and Indians prized Roman-made glass and other products that could only be made here, with the technology, ideas, and culture in Rome.

By the Renaissance period, Italians were fully engaged in trade with our part of the world. In the 13th century Marco Polo was said to have passed through the Straits of Singapore on his long voyage home to Europe. You would remember that he took the overland silk route to China and came back by sea. The city-state of Venice – which Singapore's founding fathers often looked to for lessons – flourished on the Spice Trade, where the rich textiles of Venice were traded for spices. Singapore was an important connecting point in our region for trade in spices, rubber and tin, and these precious commodities passed through our port from Southeast Asia and much of it came into Europe.

I reference this history to show that Singapore and Italy have long been part of a global network of maritime trade and commerce. In modern times, we are sovereign countries part of a rules-based international system, underpinned by institutions with acronyms like the UN, the WTO, the IMF – with opportunities to collaborate at a time when there is in fact a global political pushback against multilateralism and free trade. Today, I want to make the point that we need to take advantage of the historical linkages between Singapore and Italy, and first to do so on a global level, and second on a regional level in the dynamic, growing region of Southeast Asia.

Singapore and Italy – Global Partners

Let's return to history once again. Under Emperor Augustus, the Roman Empire controlled the entire Mediterranean. The Romans called it *Mare Nostrum*, which I believe means "Our Sea". At the time of *Mare Nostrum* there was no need for a common law for nations or states in the Mediterranean sea. Roman law simply prevailed over the whole Mediterranean. But Roman law gave us one of the most important concepts of international law, the concept of *Res Communis*. Today, we talk about the "Global Commons" which includes air, running water, the sea and the shores of the sea. In fact the concept of the "Global Commons" is derived from *Res Communis*, that certain things or certain areas or certain dimensions are used by everyone are the common heritage of mankind. *Res Communis* has played a major role in the subsequent development of the UN Convention on the Law of the Sea (UNCLOS). The difference now is that there is no one empire to impose a common law across the Mediterranean, but we have moved into a multilateral world, where there is still a need to govern the global commons, and you do need a common set of conventions, laws, and processes.

UNCLOS, is in our opinion, one of the most important legal international instruments governing maritime and air issues. It is even more pertinent today. The concepts of freedom of navigation and transit passage, for both Italy and Singapore – which rely on the smooth transit passage of ships through the international Straits of Gibraltar and Straits of Malacca – these are absolutely essential to our survival as trading nations.

Today, efforts to uphold and reform multilateral rules and frameworks are ever more critical. Both Singapore and Italy have common cause in pursuit of this. There is pushback against multilateralism as I said earlier, at the very time when transboundary problems and challenges to the global commons abound: climate change, pandemics, cybersecurity. We discussed some of this at the Asia-Europe Foreign Ministers' Meeting in Madrid a few days ago. Climate change

is the most salient example. But we also need new international norms and laws to govern the global commons, including the emerging areas I set out earlier, and also, increasingly, artificial intelligence.

As Italian delegations know, Singapore is a firm believer in multilateralism. We participate actively in multilateral fora, including the UN and its related bodies, to APEC, G20, and of course, ASEAN. At the International Maritime Organisation and International Civil Aviation Organisation, Singapore and Italy have worked together at the respective Councils. We also look forward to working with the newly elected President of the ICAO Council Mr Salvatore Sciacchitano. We are very active at WTO, where most of you would know that Singapore, Australia and Japan have been nudging the WTO to set up rules on e-commerce.

Singapore also helped to form the Global Governance Group (3G), which comprises a diverse group of 30 small and medium sized states. Membership ranges from Bahrain to Finland, Senegal to Switzerland and Singapore. This is an avenue for us to exchange views with each other on issues of global governance. In fact, as Convenor of the 3G, Singapore has had the honour of being regularly invited to the G20 Summits, for example, in Buenos Aires, in Osaka, and next year in Riyadh. We will continue to contribute to the G20, and we look forward to supporting Italy's G20 Presidency in 2021.

We are also coordinator for the ASEAN-EU Dialogue relationship, and I am proud to say that in fact, we have achieved real outcomes. We have been able to speak with one voice on cybersecurity through the ASEAN-EU Statement on Cybersecurity Cooperation adopted in August 2019. We are also working towards an ASEAN-EU Comprehensive Air Transport Agreement. Basically, we are trying to make it more convenient to fly from my region to yours, and vice versa.

Singapore: Italy's Gateway to Southeast Asia

This brings me to my second point. Singapore is a ready gateway for Italy to engage, trade, and interact with Southeast Asia. After all, the region is experiencing an exciting period of growth, especially over the next two decades. I am proud that in these uncertain times, Singapore and the EU, including Italy of course, have chosen to send a strong signal of our commitment to free trade and integration. We owe Enrico Letta, the President of the Italy-ASEAN Association, a debt of gratitude for his contribution towards the successful ratification of the EUSFTA. In this time, when there is a trade war between superpowers, and there is a pushback against free trade, for Singapore and the

EU to have been able to bring this FTA into effect on November 21 is a significant statement of our belief in free trade and economic integration.

It is worth recognising its significance. It is the first FTA between the EU and an ASEAN country. It reflects the fact that Singapore is the EU's largest trading partner in Southeast Asia, a trading relationship that is worth more than €50 billion a year. This is comparable to EU's trade with Australia. Think about that – the comparable difference in size between Singapore and Australia, and yet, posting the same trade relationship figures. But these economic patterns are not new. Italy and Singapore have always been trading nations. I touched on Marco Polo and Venice earlier. Part of why we know this is thanks to a map known as the *India Tercera Nuova Tavola*. It was drawn by Italian cartographer Girolamo Ruscelli. Drawn in 1561, it is one of the first early modern maps of Southeast Asia, and was created at a time when European traders were exploring new routes to Spice Islands.

Interestingly enough, it makes reference to a place called *C. Cinca Pula*. Scholars believe this refers to the town of Singapore. Our presence on this old map suggests an active role in pre-colonial trade in the region even before Sir Stamford Raffles' arrival in Singapore 200 years ago. It is a testament to the entrepreneurial spirit of early Italians who were already interested in this part of the world, so far removed from theirs. I hope this will encourage Italy to be part of the current growth opportunity for Southeast Asia.

For Singapore, trade is our lifeblood. Our trade volume is three times our GDP. I do not think that any other country has a similar trade-to-GDP ratio. When we say that we believe in free trade, it is not to score points at multilateral fora. Our survival depends on free trade. To a lesser extent, but nevertheless to a significant extent, the same applies to Italy. Italy was the 10th largest exporter in the world with about US\$500 billion exported in 2017. Singapore was the largest export (goods) destination for Italy in Southeast Asia.

Sometimes, people do not realise how dependent Italy, too, is on free trade and exports, and the nexus between Italy and Singapore. The EUSFTA therefore promises to further expand the Singapore-Italy relationship. One of the key benefits is tariff elimination, including the remaining tariffs on beer and stout. Beer and stout from Peroni and Moretti will enjoy zero tariffs when exported to Singapore. Geographical indications (GIs) like *Prosciutto di Parma* and *Fontina* and *Asiago* will be given enhanced protection.

It is a valuable opportunity to deepen links with Singapore – and to engage Southeast Asia more comprehensively. ASEAN is a region of significant potential growth and enormous opportunities for Italian SMEs and businesses.

ASEAN has a population of more than 630 million people, of which a large middle class is emerging.

50 million will join the ranks of the middle class by 2022, coupled with greater access to the digital economy and an outward-looking perspective. That's at least 50 million more potential consumers and customers of Italian goods and services. With the EUSFTA, Italian companies can use Singapore as a launch pad to access these opportunities in the region. More strategically, we need to view the EUSFTA as a pathfinder for ultimately a larger region-to-region FTA between ASEAN and the EU, two of the world's most successful regional organisations. Given the current global pushback against multilateralism, this would be especially significant.

Conclusion

So let me conclude by saying that Singapore and Italy have had a long historical relationship. Trade, connectivity, and navigation have always been dimensions of this relationship, which has gone on for centuries if not millennia. Historically, in the days of the early Renaissance, these were through trade and commerce. Today, if you look carefully, it also includes through investment, people-to-people ties, science and technology, and digital connectivity.

I will close with a more recent anecdote – of Italians literally leaving their mark on Singapore. Cavaliere Rodolfo Nolli was an Italian sculptor from Lombardy who came to Singapore in 1913 and did work as a stonework contractor. If you come to Singapore today and visit the old Supreme Court, the Fullerton Building, Elgin Bridge, or the College of Medicine Building, you will see his handwork. So literally, leaving his imprints on Singapore. These icons still stand today. For myself, I remember spending many happy hours in the College of Medicine Building as a medical student. At that time I did not know the Italian connection, but it is nice to know that there is and that there remains an imprint of Italy on Singapore.

Fast-forward to today. With the EUSFTA and the ongoing discussions on connectivity and a region-to-region trade agreement, I think there will be many opportunities for future Rodolfo Nolli's from all sectors and industries of Italy to leave their marks on Southeast Asia. Thank you. I would like to end off here and leave more time for the question-and-answer session.