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S'pore a 'strong supporter' of China's peaceful development

This is an edited excerpt from a speech by Deputy Prime Minister Teo Chee Hean at the East Asian Institute's 20th-anniversary celebration yesterday.

East Asia is going through a period of transition and change.

China is preparing for the 19th National Congress of the Communist Party. It is undergoing rapidly changing demographic, economic and social changes.

2017 will be a significant year for Hong Kong, which will soon celebrate the 20th anniversary of the Hong Kong Special Administrative Region. Chief Executive-elect Carrie Lam will be taking over from incumbent Chief Executive Leung Chun-ying on July 1. The stability and prosperity of Hong Kong are best assured under the "one country, two systems" framework as an integral part of China. Hong Kong can benefit from its integration with the Pearl River Delta region and the development of the "Guangdong-Hong Kong-Macau Big Bay Area". We wish Hong Kong well and will continue to seek partnerships and exchanges with Hong Kong.

Japan is having a period of relative political and economic stability. It faces keen economic competition from neighbouring East Asian economies, and has to manage its difficult relations with its neighbours. It has a shrinking and ageing population. It is a highly cohesive society, having grown rich before growing old.

The Republic of Korea recently elected its new President after months of political turmoil. It is still too early to tell what policy President Moon Jae In will adopt towards the Democratic People's Republic of Korea. However, we hope that the major players on the Korean peninsula can find a way to resume dialogue and prevent the situation from deteriorating.

Cross-strait relations have become more complicated as the politics in Taiwan becomes more complex. Singapore has always maintained our "One China" policy.

As an old friend of both sides, we have hosted the 1993 Wang-Koo talks and the 2015 Xi-Ma meeting and will continue to support the peaceful and stable development of cross-strait relations.

China's challenges

I first visited China in 1984 and have had the opportunity to observe China's transformation over many trips, interactions and exchanges. Over the past three months, I co-chaired two of our three main bilateral mechanisms with senior Chinese leaders. The 13th Joint Council for Bilateral Cooperation in Beijing, which I co-chaired with Politburo Standing Committee member and Vice-Premier Zhang Gaoli; and just last week, we welcomed Politburo member and Central Organisation Department Minister Zhao Leji for the 6th Singapore-China Forum on Leadership here in Singapore. We had a wide-ranging exchange on issues of common interest.

Such dialogues reflect the high level of mutual trust between our countries, and our mutual desire to learn from the experiences of each other. It is a unique dialogue for both countries. They also provide a valuable platform for a new generation of leaders from our two countries to develop a deeper understanding and appreciation for each other.

Today, China's weight in the world has undoubtedly grown – in the economic, social, international relations and political domains.

First, China's economy. China's growth moderated to about 6.7 per cent in 2016. It is shifting from a low-wage economy towards innovation and productivity, and moving up the value chain. Skill and care are required to manage this transition.

Within 10 years of joining the World Trade Organisation in 2001, China had become the top trading partner for all key Asia-Pacific economies – Australia, Japan, the Republic of Korea, India and Asean.

Since 2015, China has become a net exporter of capital and investments. China has also gone beyond being the "factory of the world" to creating global brands.

China is increasingly aware of the impact of its rapid economic growth on its environment. The government has started to take action domestically, and takes its responsibilities in the global arena seriously through its early ratification of the Paris Agreement on climate change.

We are optimistic that China will develop an innovative, productive economy with greater contribution from services and its private sector. A prosperous and stable China benefits the region and the world.

Second, on the social front, Chinese leaders are keenly aware of the domestic hot-button livelihood issues such as unemployment, inflation, housing and air pollution.

China's population is ageing fast. Nearly 15 per cent are over 60 years old, and by 2030, it will be 25 per cent. This will pose major challenges to family and social structures, and healthcare and pension systems.

Third, as China grows in economic and military weight, it will play a more significant international role.

China has launched the Belt and Road initiative and the Asian Infrastructure Investment Bank to connect countries across various regions. Singapore supports both initiatives. We saw early on how these initiatives will encourage further economic integration and infrastructure development.

Beijing recently held a successful "Belt and Road" Forum. President Xi Jinping's pledge of over US$100 billion (S$138 billion) for Belt and Road infrastructure projects over 56 economic zones in 20 countries was very well received. China's initiatives will benefit our region and countries along the Belt and Road, where there is significant demand for infrastructure funding.



A port in Qingdao, in Shandong province. China is shifting from a low-wage economy towards innovation and productivity, and moving up the value chain. Skill and care are required to manage this transition. PHOTO: AGENCE FRANCE-PRESSE

Each of our government-to-government projects, namely the Suzhou Industrial Park, the Tianjin Eco-City and the Chongqing Connectivity Initiative, and major platforms such as the Leadership Forum and Social Governance Forum have supported China's developmental priorities at key stages. Singapore and China have a broad and longstanding relationship. We share similar views on most issues, and have worked well together to advance these common interests.

Furthermore, in spite of the global uncertainties over trade protectionism, China has embarked on the key tasks of internationalising the renminbi and supporting global trade.

In defence, China saw its budget increase by 7 per cent to some US$150 billion this year. Though it is the second-highest in the world, it is about a quarter of the US defence budget of US$600 billion.

Under President Xi's plans to streamline and upgrade the Chinese People's Liberation Army, the PLA Navy has been undergoing major developments to bring it closer to being able to operate beyond the near waters to more distant waters.

As the major trading nation that China has become in the last 20 years, China will increasingly depend on international cooperation and conventions to ensure that its shipping and goods can proceed unhindered in all parts of the world. Recent deployments by the PLA Navy to join other navies, to protect international shipping against piracy in the Gulf of Aden, are a case in point. No country can do this alone. The Singapore Navy too worked with the Chinese Navy in the Gulf of Aden. The Chinese frigate Huangshan that visited Changi Naval Base last week was one of the PLA Navy ships that our Navy had frequent interactions with in the Gulf of Aden. Singapore Navy ships also visit China frequently; our frigate RSS Steadfast visited Shanghai last September and conducted a bilateral exercise with the Chinese frigate Jingzhou.

Fourth, political evolution in China. The 19th National Congress later this year will shape the political landscape in China for the next decade.

President Xi has already taken important steps to strengthen party discipline through his anti-corruption drive and re-organised key state and party institutions, including the People's Liberation Army.

The Communist Party of China (CPC) has made great efforts to update itself. I have visited the Central Party School in Beijing as well as the three executive leadership academies in Yan'an, Pudong and Jinggangshan. The CPC is building the capabilities of its cadres to lead a modern economy, a population with raised aspirations, and a society that already has more than 730 million people connected to the Internet.

At the same time, it is revisiting key inflexion points in its history such as the Long March in the mid-1930s, to renew and re-dedicate itself to values which have bonded the party and the people.

At the CPC's 95th anniversary in 2016, President Xi urged the CPC to "listen to the voice of the times", be innovative in theory and in practice, and adapt the CPC's founding ideology to the current development realities and priorities in China.

I am optimistic about China's potential to continually reinvent itself and play a greater leadership role both within the region and globally.

Singapore-China relations

Singapore-China relations have been aptly characterised as an "All-Round Cooperative Partnership Progressing with the Times", during President Xi's state visit to Singapore in conjunction with 25 years of diplomatic relations in 2015.

This reflects the depth, breadth and strength of our longstanding bilateral ties, and the bright prospects for the future.

Singapore and China have worked closely together, and Singapore has been a consistent friend and supporter of China's peaceful development.

Each of our government-to-government projects, namely the Suzhou Industrial Park, the Tianjin Eco-City and the Chongqing Connectivity Initiative, and major platforms such as the Leadership Forum and Social Governance Forum have supported China's developmental priorities at key stages.

Singapore and China have a broad and longstanding relationship. We share similar views on most issues, and have worked well together to advance these common interests.

But even among close neighbours and friends, there may be different perspectives on some issues, given that countries are of different sizes, have different histories, vulnerabilities and geographical location.

But the fundamental position of our two countries, that we share a common interest in the peaceful growth and development of our two countries and the region, remains the same. Our common interest in building a peaceful and growing region is much greater than any occasional differences of views. Singapore will continue to be a strong and principled supporter of China's peaceful development and constructive engagement in the region.

Three hopes

With that, I have three hopes for China: First, for a China that is stable and prosperous, even more integrated with the region and the world. Second, a China which continues to contribute to developing international norms and rules for the benefit of all, in order to preserve peace, stability, growth and development. Third, for a China that draws on its long history and deep culture to find a harmonious blend with modernity, as China continues making its societal transformation.

The East Asian story is an exciting and dynamic one, continuing to unfold. China is a key player in the story, and Singapore is a part of this great drama.

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