

RCEP a show of commitment to open trade: Heng

He says S'pore looks forward to working with Delhi on pact which will create Indian jobs

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In New Delhi

Finance Minister Heng Swee Keat said Singapore looked forward to working closely with India to conclude negotiations for the Regional Comprehensive Economic Partnership (RCEP), noting that it would be a concrete show of commitment to open trade at a time of growing protectionism.

RCEP is a free trade agreement being negotiated between the 10 members of the Association of South-east Asian Nations (Asean) grouping and India, China, Australia, New Zealand, South Korea and Japan.

While India has been hesitant about opening its market further, Prime Minister Narendra Modi said recently that the country was committed to concluding the negotiations.

For India, RCEP creates a pathway for "Make in India" products to the regional market and beyond.

"And this will create much needed jobs for India's youths... So we look forward to working closely with India to conclude RCEP negotiations, hopefully by the end of this year," said Mr Heng at The Singapore Symposium, a signature event of the Institute of South Asian Studies.

He described the RCEP as a game-changer and said: "The completion of the RCEP will be a concrete show of our commitment to open trade and investment, and to

the continued growth and development of our economies and provide more opportunities for our people."

Mr Heng also said Asia is the "bright spot in the global economy".

"This is part of a broader shift of the economic centre of gravity back to this region. Against a backdrop of slower growth in the developed economies, India is expected to grow by 7.8 per cent in 2019 while Asean is projected to grow by 5.3 per cent," he said.

India shares close ties with Singapore, one of its top foreign investors.

Total bilateral trade grew from S\$16.6 billion in 2005 to S\$25.2 billion last year.

The two countries also collabo-

GAME-CHANGER

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rate in a variety of areas including in skills training and the creation of smart cities.

India has tapped Singapore for solutions on urban renewal, for instance involving Singapore companies in building Andhra Pradesh's new capital city of Amaravati from scratch.

Mr Heng said India and Singapore could work on the four connectivities of trade, infrastructure, air and digital technology.

Singapore has been pushing for closer aviation links between India and South-east Asia.

Mr Heng also noted there was potential to do much more between India and Asean and that Singapore would continue to serve as a good gateway for Indian companies to access Asean markets.

But India needs to continue on the path of reforms, said Mr Heng, noting that the goods and services tax, introduced last year, is expected to enhance growth.

"India needs to continue implementing such reforms to boost overall competitiveness and growth prospects," he said.

Mr Heng also noted that Singapore supported Mr Modi's commitment towards a rules-based order for the region which upholds the sovereignty and equality of all nations.

"We must strengthen our collaboration, under an open, balanced and inclusive regional architecture, so that we can complement one another and progress together," he said.

Mr Heng had also attended the Asian Infrastructure Investment Bank annual meeting in Mumbai on June 25 and 26.

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