

Deepen economic links amid trade tensions, says Iswaran

He calls on nations to unite against anti-globalisation instincts as all countries gain from open markets

Anti-globalisation rhetoric and trade tensions mean nations must step up efforts to deepen economic connections and embrace free trade, Minister-in-charge of Trade Relations S. Iswaran said yesterday.

He acknowledged that while the uneven distribution of gains from globalisation and technological advances has sparked protectionist sentiment, the benefits of free trade are undeniable.

"We need strong political leadership, informed by sound economic analysis, for governments to collectively choose the right path at this juncture, and to be able to persuade their people of its merits," he said.

Mr Iswaran, who is also Minister for Communications and Information, was speaking at the second annual Dentons Rodyk Dialogue, organised by the Singapore Management University's (SMU) Centre for Cross-Border Commercial Law in Asia, and law firm Dentons Rodyk.

The dialogue also featured former Canadian prime minister Stephen Harper, law professor Tania Voon from Melbourne University and Banyan Tree Holdings

executive chairman Ho Kwon Ping, who is the chairman of SMU's board of trustees.

Mr Iswaran noted that countries large and small, developed and developing, are all beneficiaries of open and connected markets. The benefits are not just economic, but also social, cultural and strategic.

Like-minded countries must unite against anti-globalisation instincts, he said, citing the recently signed Comprehensive and Progressive Agreement for Trans-Pacific Partnership as an example of such solidarity.

The global trade architecture must adapt to economic changes, addressing "modern trade issues"

such as climate change, intellectual property, data flows and the digital economy, Mr Iswaran added.

And importantly, trade and globalisation must be complemented by domestic policies so the fruits can be equitably distributed, he said, citing SkillsFuture and industry transformation maps as Singapore's key moves on this front.

Mr Harper stressed the need for governments to ensure and demonstrate that trade improves the lives of citizens, saying: "You must be able to explain to your people specifically how they will benefit."

The potential silver lining of President Donald Trump's hard-line trade stance, he added, is that

if Mr Trump does actually succeed in securing better trade deals for the United States, ordinary Americans will be more supportive of trade.

Professor Voon saw Mr Trump's rise and the Brexit vote as symptoms of the system's failure to ensure trade gains are fairly distributed. She noted the danger that faith in multilateralism more broadly – going beyond trade to areas such as the environment – might be eroded.

But a good sign is that there is enduring faith in the World Trade Organisation's dispute settlement system, she added, with both the US and China filing complaints there even as trade tensions continue.

Mr Ho raised the idea of shielding "geriatric industries" from competition, similar to how infant industries in developing countries were protected in earlier decades.

But in the panel discussion that followed, Mr Iswaran disagreed with this proposal. The grievances of workers who are threatened by trade are real, but the right solution is to redistribute gains and help them adapt, he said.