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TITLE: Regional trade agreements complementary to multilateral trade system: Lee Yi Shyan

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POSTED: 30 Oct 2013 19:54

URL: <http://www.channelnewsasia.com/news/business/singapore/regional-trade-agreements/868196.html>

Singapore sees the value of regional trade agreements like the Trans-Pacific Partnership, and Senior Minister of State for Trade and Industry Lee Yi Shyan said such agreements are complementary to the multilateral trading system.

SINGAPORE: Trade ministers of the Trans-Pacific Partnership (TPP) member countries will meet in Singapore in December to lend fresh push to conclude trade talks by year-end.

Negotiations have been bogged down by some outstanding issues, including intellectual property rights.

Speaking at a dialogue session on Wednesday, Senior Minister of State for Trade and Industry Lee Yi Shyan said Singapore, like many nations, sees the value of regional trade agreements (RTAs) like the TPP.

But its top priority is still the multilateral trade system.

About 85 per cent of the containers that arrive in Singapore are transhipped to another port.

As a hub for global business and trade, Singapore has a network of 20 free trade agreements, and is in the process of trade negotiations like the TPP and the Regional Comprehensive Economic Partnership (RCEP).

The TPP is a proposed free trade agreement under negotiation by Australia, Brunei, Chile, Canada, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States, and Vietnam.

The RCEP is a free trade agreement scheme between the 10 ASEAN member states and its partners -- Australia, China, India, Japan, Korea and New Zealand.

Dean of the National University of Singapore's Law Faculty Simon Chesterman said: "Trade is vitally important to Singapore. The ratio of trade to Singapore's GDP is in the order of 300 per cent. So it's enormously important for Singapore's economy."

On concerns that RTAs will overshadow the World Trade Organization's (WTO) multilateral trade system, Mr Lee said they are actually complementary.

He explained: "They give individual economies collective experience in trade liberalisation, which equip them to more confidently operate in the multilateral trading environment."

Mr Lee added that Singapore is looking forward to deepen collaboration with the WTO as it is the bedrock of Singapore's trade policy.

The WTO will hold its ninth Ministerial Conference in Bali, Indonesia this December, which is seen as a critical signpost towards the eventual conclusion to the DOHA Development Agenda, a trade negotiation that started in 2001 but has since stalled.

WTO Chair Michael Ewing-Chow, said: "We are moving into very new areas of research and concerns issues like global value chains, issues like trade and investment which the WTO doesn't cover even within the DOHA round, so I hope the RTAs will provide a real incentive to the completion of DOHA Round. If not, the WTO faces a real concern for its legitimacy as a major trade negotiation forum."

Other challenges for the WTO include countering protectionism and ensuring its initiatives remain relevant amid technological innovation and changing business environment.

The WTO said recent trends towards protectionism pose a challenge to multilateral trading systems, prompting trade growth forecasts for this year to be revised downwards to 2.5 per cent from 5.6 per cent.

- CNA/gn