

SINGAPORE AND INTERNATIONAL LAW

THE objective of this section is to reproduce selected materials which illustrate Singapore's position in international law in the context of the four headings set forth below:

- I. Treaties, Declarations and other Instruments
- II. Treaties, Declarations and other Instruments of the Association of Southeast Asian Nations (ASEAN)*
- III. Legislation and Judicial Decisions on International Law
- IV. Singapore and International Relations
 - (i) General
 - (ii) Policy Statements

The materials are compiled from various sources, including Singapore Government Press Releases. It should be stressed that any text reproduced herein is not to be regarded as officially supplied to the *Singapore Journal of Legal Studies*.

I. TREATIES, DECLARATIONS AND OTHER INSTRUMENTS

- (1) *Agreement on Maritime Transport between the Government of the Republic of Singapore and the Government of the Socialist Republic of Vietnam*

The Government of the Republic of Singapore and the Government of the Socialist Republic of Vietnam (hereinafter referred to as the "Contracting Parties"), being desirous of strengthening the friendly relations between the two countries and promoting co-operation and improving efficiency of maritime transport in accordance with the principles of equality and mutual benefit,

Have agreed as follows:

Article 1

For the purpose of this Agreement, unless the context otherwise requires:

1. The term "vessel of either Contracting Party" means merchant vessels flying the national flag of and registered in Singapore or Vietnam.

* There are no materials under this heading in this issue.

2. The term “crew members” means those who are working on board a vessel of either Contracting Party and perform duties or services connected with the operation or maintenance of the vessel and hold identity documents issued or recognised by the competent authority of that Party as provided in Article 8 of this Agreement and whose names are included in the vessel’s article and crew list.
3. The term “competent authority” means the designated government agency or agencies of either Contracting Party responsible for administration of maritime transport and its related functions.
4. The term “passengers” means those persons carried in the vessel of either Contracting Party who are not employed or engaged in any capacity on board that vessel and whose names are included in the passenger list of the vessel.

Article 2

1. Vessels of either Contracting Party shall be allowed to sail between the ports of either Contracting Party which are open to foreign vessels and engage in passenger and cargo services (hereinafter called the “agreed services”) between the two countries or between either country and a third country.
2. Further, enterprises of either Contracting Party may invest in shipping related services such as trucking, warehousing, container freight stations in respect of vessels and cargoes in each other’s country in accordance with the laws and regulations of that Contracting Party. For the purpose of this Agreement, the expression “agreed services” shall include participation in shipping related services.

Article 3

Chartered vessels flying the flag of third countries acceptable to both Contracting Parties but operated by shipping enterprises of either Contracting Party shall also be allowed to participate in the agreed services.

Article 4

Each Contracting Party shall abstain from any discriminatory measures against the vessels of the other Contracting Party in respect of the agreed services between the two countries and shall accord to the vessels of the other Contracting Party treatment no less favourable than that accorded to the vessels of third countries in respect of the agreed services between the two countries and between either country and a third country.

Article 5

1. Each Contracting Party shall grant to vessels of the other Contracting Party most-favoured-nation treatment at its ports open to foreign vessels. This shall also apply to vessels flying the flag of third countries as specified in Article 3 of this Agreement.

2. The most-favoured-nation treatment provided in this Article applies to customs formalities, the levying of charges and port dues, freedom of access to and the use of ports as well as facilities afforded to shipping services such as trucking, warehousing, container freight stations, allocation of berths at piers, loading and unloading facilities and other related services in respect of vessels and cargoes. In particular, this refers to the allocation of berths at piers, loading and unloading facilities and port services.

Article 6

The provisions of this Agreement shall not apply to cabotage. The sailing of the vessels of a Contracting Party from one port to another of the other Contracting Party for discharging inward cargo and/or disembarking passengers from abroad or loading outward cargo and/or embarking passengers for foreign countries shall not be regarded as cabotage.

Article 7

1. The Contracting Parties shall mutually recognize the nationality of vessels on the basis of the certificate of registry duly issued by the competent authorities of either Contracting Party whose flag the vessel flies.
2. The Contracting Parties shall mutually recognize the tonnage certificate and other ship documents duly issued or authorised to be issued by the competent authorities of either Contracting Party.

Article 8

Each Contracting Party shall recognize the identity documents of crew members duly issued by or acceptable to the competent authorities of the other Contracting Party such as the Seaman Identity Book, Seaman Passport, Seaman Discharge Book or International Passport.

Article 9

1. Crew members of either Contracting Party shall during their presence in the ports or waters of the other Contracting Party observe the applicable laws and regulations of that Contracting Party.
2. Crew members of vessels of either Contracting Party shall be permitted to contact their consular officials or their diplomatic representatives for settling any necessary formalities.
3. Crew members of vessels of either Contracting Party shall be permitted to go ashore during the period of stay of their vessels in the ports of the other Contracting Party, in accordance with its applicable laws and regulations.
4. Crew members of vessels of either Contracting Party requiring medical treatment shall be allowed to remain in the territory of the other Contracting Party for the period of time necessary for such treatment, in accordance with the national laws and regulations of that Contracting Party.

5. Crew members of vessels of either Contracting Party may enter the territory or travel through the territory of the other Contracting Party for the purposes of joining vessels, repatriation or any other reason acceptable to the competent authorities of the other Contracting Party, after completing the necessary formalities in accordance with the laws and regulations of that Contracting Party.
6. Either Contracting Party has the right to refuse any crew members entry to its territory in accordance with its laws and regulations, even though they hold the identity documents specified in Article 8 of this Agreement.

Article 10

1. Should vessels of either Contracting Party be involved in shipping casualties in the territorial waters or ports of the other Contracting Party, the latter shall give all possible assistance to the vessels, crew members, cargoes and passengers, and notify the appropriate authorities of the Contracting Party concerned as soon as possible.
2. Where the cargo and other properties discharged or rescued from the vessel involved in such shipping casualties need to be temporarily stored in the territory of the other Contracting Party, the latter shall endeavour to provide wherever possible the necessary facilities and such cargo and properties shall be exempt from all taxes, insofar as it is not released for consumption or used in the territory of the other Contracting Party.

Article 11

All proceeds accruing from agreed services or other related services shall be effected in freely convertible currencies. Such proceeds may be used for making payments in the territory of the Contracting Party or be freely remitted from that country.

Article 12

The Contracting Parties shall adopt, within the limits of their laws and regulations, all appropriate measures to facilitate the turn-round of vessels, to prevent unnecessary delays, and to expedite and simplify customs and other formalities required at ports.

Article 13

1. The provisions of this Agreement shall not limit the right of either Contracting Party to take measures for the protection of its security and public health or the prevention of disease and pests in animals and plants.
2. Each Contracting Party shall, with a view to promoting the understanding of its laws that pertain to or affect maritime transport, make such laws public and readily accessible.

Article 14

In principle, bilateral seaborne cargo between both Contracting Parties shall be carried by vessels of both Parties. Vessels of both Contracting Parties have equal rights and opportunities to carry bilateral seaborne cargo and seaborne cargo of either Contracting Parties' third country trade.

Article 15

In order to promote the development of maritime transport between the two countries and to deal with matters arising from the implementation of the present Agreement, representatives of both Contracting Parties shall meet to discuss representations made by either Contracting Party at the dates and places to be mutually agreed upon.

Article 16

The Contracting Parties shall actively promote the development of the economic and trade relationship between both Contracting Parties through maritime transport co-operation.

Article 17

1. The Contracting Parties shall endeavour to settle by consultations and negotiations amicably through their competent authorities any dispute arising out of or in connection with this Agreement.
2. Any dispute which cannot be settled between the shipping companies or the shipping related enterprises of the Contracting Parties shall be referred to international arbitration and finally resolved by international arbitration acceptable to both parties such as arbitration in Singapore in accordance with the Arbitration Rules of the Singapore International Arbitration Centre ("SIAC Rules") for the time being in force which rules are deemed to be incorporated by reference into this Article. The language of the arbitration shall be English.

Article 18

1. This Agreement shall enter into force on the date of its signature.
2. This Agreement shall remain in force initially for a period of five years and shall continue in force thereafter for subsequent periods of five years unless either Contracting Party notifies the other in writing its intention to terminate it six months before the expiration of a particular five-year period.
3. This Agreement may be amended by the agreement of both Contracting Parties. If either Contracting Party considers it desirable to modify the terms of this Agreement, such modifications may be proposed by an exchange of notes through the diplomatic channels.
4. The provisions of the present Agreement shall not affect the rights and obligations of the Contracting Parties arising out of international conventions which have been accepted by the two Contracting Parties.

IN WITNESS WHEREOF, the undersigned, duly authorised thereto by their respective Governments have signed this Agreement.

Done at Singapore on 16 April in the year 1992 in duplicate in the English and Vietnamese languages, both texts being equally authentic. In case of any divergence of interpretation the English text shall prevail.

LIM BOON HENG
For the Government of
the Republic of Singapore

LE KHA
For the Government of
the Socialist Republic of Vietnam

(2) Trade Agreement between the Government of the Republic of Singapore and the Government of the Socialist Republic of Vietnam

The Government of the Republic of Singapore and the Government of the Socialist Republic of Vietnam hereinafter referred to as "the Contracting Parties";

Desiring to develop and strengthen economic and trade relations between the two countries on the basis of equality and mutual benefit;

Have agreed as follows:

Article 1

The Contracting Parties shall promote the development of economic and trade relations between the two countries in accordance with the laws and regulations in force in their respective countries.

Article 2

The Contracting Parties shall grant each other most-favoured-nation treatment with respect to custom formalities and duties and other taxes and duties applicable to trade exchange between the two countries.

Article 3

The provisions of Article 2 shall not apply to:

- (a) Preferences and advantages accorded by either Contracting Party to a country with which it shares a common border in replacement of previously existing preferences or other advantages;
- (b) Preferences and advantages accorded by either of the Contracting Parties resulting from its association in a customs union or a free trade area or regional economic grouping or measures leading to the formation of a customs union or a free trade area or regional economic grouping.

Article 4

The export and import of goods shall be carried out on the basis of commercial contracts concluded between the natural and juridical persons of the two countries in accordance with the laws and regulations in force in each country.

Article 5

All payments between the two countries shall be made in freely convertible currencies in accordance with the foreign exchange regulations in force in their respective countries.

Article 6

The Contracting Parties shall allow the appointment of permanent commercial representatives in Singapore and Vietnam who will be attached to their respective diplomatic missions.

Article 7

1. In order to develop further the economic and trade relations between the two countries, each Contracting Party shall facilitate the participation by the other Contracting Party or its business enterprises and corporations in trade fairs to be held in its territory and the staging of exhibitions by the other Contracting Party or its business enterprises and corporations in its territory, subject to such terms and conditions as may be imposed by the competent authorities of the countries where the trade fair or exhibition is to be held.
2. The exemption from customs duties and other similar charges of articles and samples intended for fairs and exhibitions, as well as their sale and disposition, shall be subject to the laws and regulations of the country where such fairs and exhibitions are held.

Article 8

The following articles originating from the territory of either of the Contracting Parties shall be exempt from customs duties on entry into the territory of the other Contracting Party:

- (a) Samples of goods of all kinds if they are of no commercial value and provided that they are used only as samples for obtaining orders and not intended for sale; and
- (b) Equipment imported for repair, improvement, construction and processing purposes, which after the completion of such works will be returned to originating Contracting Party.

Article 9

1. The Contracting Parties shall endeavour to settle by consultations and negotiations amicably through their competent authorities any dispute arising out of or in connection with this Agreement.
2. Any dispute which cannot be settled amicably between the commercial companies or the commercial related enterprises of the Contracting Parties shall be referred to international arbitration and finally resolved by international arbitration acceptable to both parties such as arbitration at the Singapore International Arbitration Centre or the Vietnamese International Arbitration Centre in accordance with the rules of the respective Centre for the time being in force which rules are deemed to be incorporated by reference into this Article. The language of the arbitration shall be English.

Article 10

The provisions of this Agreement shall not limit the right of either Contracting Party to adopt or execute measures which are directed to the protection of its essential security interests or for the protection of public health or the protection of diseases and pests in animals or plants.

Article 11

1. The Contracting Parties shall meet from time to time, as may be agreed upon, and consult each other on all matters of mutual interest as well as on the necessary measures aimed at the expansion of mutual cooperation, economic and trade relations under the present Agreement.
2. In the implementation of this Article, each meeting held at the request of either Party shall be carried out at a place mutually agreed upon not later than 90 days after the date of receiving the request.

Article 12

1. Each Contracting Party shall notify the other Contracting Party of the fulfilment of its internal legal procedures required for the bringing into force of this Agreement. This Agreement shall enter into force on the date of the notification of the later Contracting Party. It shall remain in force for three years in the first instance and shall be automatically renewed for periods of one year each, unless either Contracting Party expresses its intention in writing to terminate this Agreement three months before the expiry of its validity.
2. The provisions of this Agreement shall continue to be applied after it has expired to all commercial transactions concluded but not fully performed before the termination of this Agreement.
3. At any time whilst the Agreement is in force, either Party may propose in writing amendments thereto and to which the other Party will reply within 120 days upon receipt of such notice. The terms of the Agreement may be modified by the mutual consent of the Contracting Parties.

Done at Singapore, this 24th day of September, 1992, in two original copies, in the English and Vietnamese languages, both texts being equally authentic.

LIM BOON HENG
For The Government of
the Republic of Singapore

LE VAN TRIET
For The Government of
the Socialist Republic of Vietnam

(3) *Agreement between the Government of the Republic of Singapore and the Government of the Socialist Republic of Vietnam on the Promotion and Protection of Investments*

The Government of the Republic of Singapore and the Government of the Socialist Republic of Vietnam (each hereinafter referred to as a "Contracting Party"),

DESIRING to create favourable conditions for greater economic co-operation between them and in particular for investments by nationals and companies of one State in the territory of the other State based on the principles of equality and mutual benefit;

RECOGNISING that the encouragement and reciprocal protection of such investments will be conducive to stimulating business initiative and increasing prosperity in both States;

Have agreed as follows:

Article 1

Definitions

For the purposes of this Agreement:

1. The term "investment" means every kind of asset permitted by each Contracting Party in accordance with its laws and regulations, including, though not exclusively, any:-
 - (a) movable and immovable property and other property rights such as mortgage, lien or pledge;
 - (b) share, stock, debenture and similar interests in companies;
 - (c) title to money or to any contract having an economic value;
 - (d) copyright, industrial property rights, (such as patents for inventions, trade marks, industrial design), know-how, technical processes, trade names and goodwill; and
 - (e) business concession conferred by law or under contract to search for, cultivate, extract or exploit natural resources.
2. The term "returns" means monetary returns yielded by an investment including any profit, interest, capital gain, dividend, royalty or fee. ,

3. The term “national” means:

- (a) in respect of the Republic of Singapore, any citizen of the Republic of Singapore within the meaning of the Constitution of the Republic of Singapore;
- (b) in respect of the Socialist Republic of Vietnam, a person who is a citizen of the Socialist Republic of Vietnam according to its laws.

4. The term “company” means:

- (a) in respect of the Republic of Singapore, any company, firm, association or body, with or without legal personality, incorporated, established or registered under the laws in force in the Republic of Singapore;
- (b) in respect of the Socialist Republic of Vietnam, a company or other juridical person incorporated or constituted in its territory in accordance with its laws.

Article 2

Applicability of this Agreement

1. This Agreement shall only apply:

- (a) in respect of the investments in the territory of the Republic of Singapore, to all investments made by nationals and companies of the Socialist Republic of Vietnam which are specifically approved in writing by the competent authority designated by the Government of the Republic of Singapore and upon such conditions, if any, as it shall deem fit;
- (b) in respect of investments in the territory of the Socialist Republic of Vietnam, to all investments made by nationals and companies of the Republic of Singapore which are specifically approved in writing by the competent authority designated by the Government of the Socialist Republic of Vietnam and upon such conditions, if any, as it shall deem fit.

2. The provisions of the foregoing paragraph shall apply to all investments made by nationals and companies of either Contracting Party in the territory of the other Contracting Party, whether made before or after the coming into force of this Agreement.

Article 3

Promotion and Protection of Investment

1. Each Contracting Party shall encourage and create favourable conditions for nationals and companies of the other Contracting Party to make in its territory investments that are in line with its general economic policy.

2. Investments approved under Article 2 shall be accorded fair and equitable treatment and protection in accordance with this Agreement.

Article 4

Most-Favoured-Nation Provision

Neither Contracting Party shall in its territory subject investments admitted in accordance with the provisions of Article 2 or returns of nationals and companies of the other Contracting Party to treatment less favourable than that which it accords to investments or returns of nationals and companies of any third State.

Article 5

Exceptions

1. The provisions of this Agreement relating to the grant of treatment not less favourable than that accorded to the nationals and companies of any third State shall not be construed so as to oblige one Contracting Party to extend to the nationals and companies of the other Contracting Party the benefit of any treatment, preference or privilege resulting from:
 - (a) any arrangement for customs, monetary, tariff or trade matters (including a free trade area) or any agreement designed to lead in future to such an arrangement; or
 - (b) any arrangement with a third State or States in the same geographical region designed to promote regional co-operation in the economic, social, labour, industrial or monetary fields within the framework of specific projects.
2. The provisions of this Agreement shall not apply to matters of taxation in the territory of either Contracting Party. Such matters shall be governed by any Avoidance of Double Taxation Treaty between the two Contracting Parties and the domestic laws of each Contracting Party.

Article 6

Expropriation

1. Neither Contracting Party shall take any measure of expropriation, nationalization or other measures having effect equivalent to nationalization or expropriation against the investment of nationals or companies of the other Contracting Party unless the measures are taken for any purpose authorised by law, on a non-discriminatory basis, in accordance with its laws and against payment of compensation which shall be effectively realisable and which shall be made without unreasonable delay. Such compensation shall, subject to the laws of each Contracting Party, be the value immediately before the

expropriation, nationalization or measure having effect equivalent to nationalization or expropriation. The compensation shall be freely convertible and transferable.

2. Where a Contracting Party expropriates, nationalizes or takes measures having effect equivalent to nationalization or expropriation against the assets of a company which is incorporated or constituted under the laws in force in any part of its own territory, and in which nationals or companies of the other Contracting Party own shares, it shall ensure that the provisions of paragraph (1) of this Article are applied to the extent necessary to guarantee compensation as specified therein to such nationals or companies of the other Contracting Party who are owners of those shares.

Article 7

Compensation for Losses

Nationals or companies of one Contracting Party whose investments in the territory of the other Contracting Party suffer losses owing to war or other armed conflict, a state of national emergency, revolt, insurrection or riot in the territory of the latter Contracting Party, shall be accorded by the latter Contracting Party treatment, as regards restitution, indemnification, compensation or other settlement, if any, no less favourable than that which the latter Contracting Party accords to nationals or companies of any third State.

Article 8

Repatriation

Each Contracting Party shall guarantee to nationals or companies of the other Contracting Party the free transfer, on a non-discriminatory basis, of their capital and the returns from any investments, including:

- (a) profits, capital gains, dividends, royalties, interests and other current income accruing from any investments;
- (b) the proceeds of the total or partial liquidation of any investment;
- (c) repayments made pursuant to a loan agreement in connection with investments;
- (d) licence fees in relation to the matters in Article 1(1) (d);
- (e) payments in respect of technical assistance, technical service and management fees;
- (f) payments in connection with contracting projects;
- (g) earnings of nationals of the other Contracting Party who work in connection with an investment in the territory of the former Contracting Party.

Article 9

Exchange Rate

The transfers referred to the Articles 6 to 8 of this Agreement shall be effected at the prevailing market rate in freely convertible currency on the date of transfer. In the absence of such a market rate, the official rate of exchange shall apply.

Article 10

Laws

For the avoidance of any doubt, it is declared that all investments shall, subject to this Agreement, be governed by the laws in force in the territory of the Contracting Party in which such investments are made.

Article 11

Prohibitions and Restrictions

The provisions of this Agreement shall not in any way limit the right of either Contracting Party to apply prohibitions or restrictions of any kind or take any other action where such prohibitions, restrictions or actions are directed to:

- (a) the protection of its essential security interests;
- (b) the protection of public health; or
- (c) the prevention of diseases and pests in animals or plants.

Article 12

Subrogation

1. In the event that either Contracting Party (or any agency, institution, statutory body or corporation designated by it) as a result of an indemnity it has given in respect of an investment or any part thereof makes payment to its own nationals and companies in respect of any of their claims under this Agreement, the other Contracting Party acknowledges that the former Contracting Party (or any agency, institution, statutory body or corporation designated by it) is entitled by virtue of subrogation to exercise the rights and assert the claims of its own nationals and companies. The subrogated right or claim shall not be greater than the original right or claim of the said investor.
2. Any payment made by one Contracting Party (or any agency, institution, statutory body or corporation designated by it) to its nationals and companies shall not effect the right of such nationals and companies to make their claims against the other Contracting Party in accordance with Article 13.

Article 13

Investment Disputes

1. Any dispute between a national or company of one Contracting Party and the other Contracting Party in connection with an investment in the territory of the other Contracting Party shall, as far as possible, be settled amicably through negotiations between the parties to the dispute. The party intending to resolve such dispute through negotiations shall give notice to the other of its intentions.
2. If the dispute cannot be thus resolved as provided in paragraph (1) of this Article within six months from the date of the notice given thereunder, then the Contracting Party and the investor concerned shall refer the dispute to either conciliation in accordance with the United Nations Commission on International Trade Law Rules of Conciliation, 1980 or to arbitration in accordance with the United Nations Commission on International Trade Law Rules on Arbitration, 1976 subject to the following provisions:
 - (a) in respect of conciliation proceedings, there shall be two conciliators, one each appointed by the respective parties; and
 - (b) in respect of arbitration proceedings, the following shall apply:
 - (i) The Arbitral Tribunal shall consist of three arbitrators. Each party shall select an arbitrator. These two arbitrators shall appoint by mutual agreement a national of a third State which has diplomatic relations with the Governments of the parties to the dispute. The arbitrators shall be appointed within two months from the date when one of the parties to the dispute informs the other of its intention to submit the dispute to arbitration after the lapse of the six months mentioned in paragraph (2) of this Article.
 - (ii) The Arbitral Award shall be made in accordance with the provisions of this Agreement, the relevant domestic laws including the rules on the conflict of laws of the territory of the Contracting Party in which the investment dispute arises as well as the generally recognised principles of international law.
 - (iii) If the necessary appointments are not made within the period specified in paragraph (2)(b)(i), either party may, in the absence of any other agreement, request the Secretary-General of the International Centre for the Settlement of Investment Disputes to make the necessary appointments.
 - (iv) The Tribunal shall reach its decision by a majority of votes.

- (v) The decision of the Arbitral Tribunal shall be final and binding and the parties shall abide by and comply with the terms of its award.
 - (vi) The Arbitral Tribunal shall state the basis of its decision and state reasons upon the request of either party.
 - (vii) Each party concerned shall bear the costs of its own arbitrator and its representation in the arbitral proceedings. The cost of the Chairman in discharging his arbitral function and the remaining costs of the Tribunal shall be borne equally by the parties concerned. The Tribunal may, however, in its decision direct that a higher proportion of costs shall be borne by one of the two parties, and this award shall be binding on both parties.
3. The provisions of this Article shall not prejudice the Contracting Parties from using the procedures specified in Article 14 where a dispute concerns the interpretation or application of this Agreement.

Article 14

Disputes Between the Contracting Parties

1. Any dispute between the Contracting Parties concerning the interpretation or application of this Agreement shall, as far as possible, be settled through diplomatic channels.
2. If any such dispute cannot be settled, it shall upon the request of either Contracting Party, be submitted to arbitration. The Arbitral Tribunal (hereinafter called "the Tribunal") shall consist of three arbitrators, one appointed by each Contracting Party and the third, who shall be the Chairman of the Tribunal, appointed by agreement of the Contracting Parties.
3. Within two months of receipt of the request for arbitration, each Contracting Party shall appoint one arbitrator, and within two months of such appointment of the two arbitrators, the Contracting Parties shall appoint the third arbitrator.
4. If the Tribunal shall not have been constituted within four months of receipt of the request for arbitration, either Contracting Party may, in the absence of any other agreement, invite the President of the International Court of Justice to appoint the arbitrator or arbitrators not yet appointed. If the President is a national of either Contracting Party or if he is unable to do so, the Vice-President may be invited to do so. If the Vice-President is a national of either Contracting Party or if he is unable to do so, the Member of the International Court of Justice next in seniority who is not a national of either Contracting Party may be invited to make the necessary appointments, and so on.
5. The Tribunal shall reach its decision by a majority of votes.

6. The Tribunal's decision shall be final and the Contracting Parties shall abide by and comply with the terms of its award.
7. Each Contracting Party shall bear the costs of its own member of the Tribunal and of its representation in the arbitration proceedings and half the costs of the Chairman and the remaining costs. The Tribunal may, however, in its decision direct that a higher proportion of costs shall be borne by one of the two Parties, and this award shall be binding on both Parties.
8. Apart from the above the Tribunal shall establish its own rules of procedure.

Article 15

Other Obligations

If the legislation of either Contracting Party or international obligations existing at present or established hereafter between the Contracting Parties in addition to this Agreement, result in a position entitling investments by nationals of the other Contracting Party to treatment more favourable than is provided for by this Agreement, such position shall not be affected by this Agreement. Each Contracting Party shall observe any commitment in accordance with its laws additional to those specified in this Agreement entered into by the Contracting Party, its nationals or companies with nationals or companies of the other Contracting Party as regards to their investments.

Article 16

Entry into Force, Duration and Termination

1. Each Contracting Party shall notify the other Contracting Party of the fulfilment of its internal legal procedure required for the bringing into force of this Agreement. This Agreement shall enter into force on the thirtieth day from the date of the notification of the later Contracting Party.
2. This Agreement shall remain in force for a period of ten years and shall continue in force thereafter unless, after the expiry of the initial period of ten years, either Contracting Party notifies in writing the other Contracting Party of its intention to terminate this Agreement. The notice of termination shall become effective one year after it has been received by the other Contracting Party.
3. In respect of investments made prior to the date when the notice of termination of this Agreement becomes effective, the provisions of Articles 1 to 15 shall remain in force for a further period of ten years from that date.

IN WITNESS WHEREOF the undersigned representatives, duly authorised thereto by their respective Governments, have signed this Agreement.

Done at Singapore on 29th October 1992, in duplicate in the English and Vietnamese languages, both texts being equally authentic. Any divergence of interpretation between the two texts shall be resolved by reference to the English text.

For the Government of the
Republic of Singapore
LIM BOON HENG
Senior Minister of State for
Trade and Industry

For the Government of the
Socialist Republic of Vietnam
ĐÀU NGỌC XUÂN
Minister, Chairman of State
Committee for Co-operation and Investment

III. LEGISLATION AND JUDICIAL DECISIONS ON INTERNATIONAL LAW

The following regulations were made by the Minister for Trade and Industry pursuant to the Control of Imports and Exports Act (Cap 56, 1985 Rev Ed):

- The Prohibition of Imports and Exports (Yugoslavia-Serbia and Montenegro) Order 1992 (GN S 269/92); effective from 19 June 1992
- The Prohibition of Exports (Libya) Order 1993 (GN S 45/93); effective from 5 March 1993
- The Control of Imports and Exports (Montreal Protocol) Order 1993 (GN S 141/93); effective from 1 May 1993
- The Prohibition of Exports (Haiti) Order 1993 (GN S 301/93); effective from 16 July 1993

The following regulations were made by the President pursuant to the International Organisations (Immunities and Privileges) Act (Cap 145, 1985 Rev Ed):

- The International Organisations (Immunities and Privileges) (APEC Secretariat) Order 1993 (GN S 25/93); effective from 12 February 1993

IV. SINGAPORE AND INTERNATIONAL RELATIONS

(i) General

- (1) *Appointment of Singapore's Ambassador to the Kingdom of Belgium* (Singapore Government Press Release No: 10/JAN, 09-0/93/01/12)

The Government has appointed Mrs Mary Seet-Cheng as Singapore's next Ambassador to the Kingdom of Belgium, with concurrent accreditation to the European Communities, the Netherlands, Luxembourg and the Holy See.

(2) *Diplomatic Relations*

The Government of the Republic of Singapore, wishing to strengthen and develop friendly relations with the following, has agreed with the following to establish diplomatic relations with their countries:

1. The Government of Jamaica (with effect from 1 November 1992);
2. The Government of the Republic of Paraguay (at Ambassadorial level, with effect from 10 December 1992);
3. The Government of the Republic of Nicaragua (with effect from 6 January 1993);
4. The Government of the Republic of Estonia (with effect from 2 February 1993);
5. The Government of the Republic of Georgia (with effect from 16 February 1993);
and
6. The Government of the Republic of the Republic of Kazakhstan (with effect from 30 March 1993).

(3) *Recognition and Establishment of Diplomatic Relations with the Czech Republic and the Slovak Republic:* Singapore Government Press Statement (Singapore Government Press Release No: 08/FEB, 09-0/93/02/11, 11 February 1993)

The Singapore Government notes that the Czech and Slovak Federal Republic (CSFR) was formally dissolved on 1 January 1993. The CSFR has now been replaced by two separate and independent states, namely the Czech Republic and the Slovak Republic. The Singapore Government is pleased to formally recognise the independence and sovereignty of the Czech Republic and the Slovak Republic. The Government is also pleased to announce the establishment of diplomatic relations with the Czech Republic and the Slovak Republic with immediate effect.

(4) *Singapore and Somalia:* Ministry of Foreign Affairs Press Statement (Singapore Government Press Release No: 32/DEC, 09-0/92/12/30)

In view of the terrible human tragedy in Somalia, the Singapore Government has decided to contribute US\$25,000 to the Fund set up by the United Nations Security Council Resolution 794.

(ii) Policy Statements

- (1) *Fourth ASEAN Summit and 25th ASEAN Ministerial Meeting: Statement by Mr Wong Kan Seng, Minister for Foreign Affairs of Singapore and Chairman of the ASEAN Standing Committee at the First Meeting of the 26th ASEAN Standing Committee on 9 October 1992 in Singapore (Singapore Government Press Release No: 10/OCT, 09-1/92/10/09)*

...We live in an interdependent world. It means that we cannot insulate ourselves from developments around the world. ASEAN's future depends on how effectively we are able to plug into the international grid. We have an interest in maintaining our access to markets around the world. To this end, we need a predictable pattern of relationships for a peaceful and stable environment. It means both strengthening ASEAN as well as developing our links to other countries in order to enhance political and economic co-operation.

Recognising these strategic imperatives, the Fourth ASEAN Summit took landmark decisions which put economic and the political-security co-operation high on the ASEAN agenda.

The Summit agreed to establish an ASEAN Free Trade Area. It will be an important means to sustain and increase trade and investment in the region. It will also be an insurance policy against protectionism.

The Summit also agreed to enhance political and security co-operation using existing ASEAN mechanisms. This will help ASEAN to deal with the uncertainties of the evolving international order.

The Summit also directed that ASEAN should examine ways and means to strengthen UN-ASEAN co-operation. In particular, it directed that ASEAN should seek cognizance of the Treaty of Amity and Co-operation from the United Nations through appropriate means such as a resolution. This is because we believe that the Treaty is an important instrument which encourages regional co-operation between member states of ASEAN and other states which have acceded to it and which strengthens regional peace and stability. It serves as an example of how regional associations can contribute towards the maintenance of international peace and security, in accordance with the Charter of the United Nations. The ASEAN Permanent Representatives in New York have now drafted a resolution which aims at obtaining UN endorsement of the purpose and principles of the Treaty of Amity and Co-operation, by consensus.

The Summit also recognised the need for ASEAN to strengthen its co-operative relationships with its dialogue partners, especially ASEAN's main trading partners and to develop consultative relationships with other countries.

These decisions reflect a principle that has successfully guided the ASEAN process over twenty-five years and over a number of crises. This principle is that ASEAN co-operates both within itself and with other countries to promote our collective interests.

The 25th ASEAN Ministerial Meeting and Post Ministerial Conferences held recently in Manila have successfully moved the Summit decisions forward. Political-security co-operation was formally on the agenda for the first time. Russia and

China were engaged in consultative dialogues with ASEAN. China has made proposals for greater co-operation between ASEAN and China. This would be in line with the Summit's decision to strengthen ASEAN's external relations. ASEAN has agreed in principle to these proposals. It will now be one of the tasks of the ASEAN Standing Committee to follow-up on these proposals.

Also at the 25th AMM, Vietnam and Laos took a significant step towards reintegration with the Southeast Asian community by acceding to the Treaty of Amity & Co-operation. ASEAN has granted them observer status. A new phase of co-operation is opening between these two countries and ASEAN.

It is this approach of broadly engaging our neighbours in Southeast Asia and others in the larger Asia-Pacific that will promote and strengthen conditions for peace and stability. It is this approach that sets the parameters of the work of the ASEAN Standing Committee.

- (2) *"The Phasing Out of Ozone Depleting Substances"*: Speech by Dr Ahmad Mattar, Minister for the Environment, at the Opening Ceremony of the Asia-Pacific Conference and ASEAN-UNEP Workshop held in Singapore on Monday, 5 October 1992 (Singapore Government Press Release No: 05/OCT, 07-1/92/10/05)

...The Montreal Protocol only took effect in 1989. The achievements since then have been unprecedented. The Protocol has not only harnessed global co-operation in protecting the ozone layer, but has also greatly enhanced public awareness on environmental issues. The success of the Protocol and the strong public awareness created have nudged the scientific and industrial community out of their inertia. Over the past three years, significant strides have been made in the push towards chlorofluorocarbon (CFC) substitutes and ozone-safe technologies. Today, the possibility of a significant reduction in consumption of ozone depleting substances is tangibly within reach of most countries....

...We note that concern over the adequacy of current controls under the Montreal Protocol have led several of the developed countries to call for the advance of the phasing out of the use of CFCs and Halons to 1996. A number of these same countries and major chemical suppliers have also pledged to stop producing these chemicals by the same year. The faster pace of phasing out will undoubtedly have an impact on CFC consuming industries especially those which had planned according to the original schedule.

Singapore was one of the first few countries to accede to both the Vienna Convention for the Protection of the Ozone Layer and the Montreal Protocol. We knew then that CFCs were widely used in our local industries and that a reduction in the consumption of CFCs would have an adverse impact on our industries. Our accession was, however, not a mere symbolic gesture. It was immediately followed by a series of measures to curb and reduce the consumption of CFCs.

We were quick to introduce measures to cut down the use of CFCs and Halons whenever ozone-safe substitutes and technologies become available. We have banned the import and manufacture of non-pharmaceutical aerosols and polystyrene products containing controlled CFCs. We will stop the import of new air-

conditioning and industrial refrigeration equipment using CFC 11 and CFC 12 from 1 January 1993. The import and sale of new fire extinguishers using controlled Halons will also be stopped from 1 January 1995.

My Ministry is currently studying the feasibility of prohibiting newly imported vehicles from being fitted with air-conditioners using ozone depleting CFCs. In fact, some new cars imported into Singapore are already equipped with ozone-friendly air-conditioning equipment. Apart from protecting the ozone layer, such a measure is also sensible, as it would eventually save our motorists the cost of retrofitting when CFCs become unavailable.

I am pleased to say that Singapore is today well ahead of the schedule specified under the Montreal Protocol to reduce CFC consumption. The 1991 level of CFC consumption in Singapore has been reduced by 64 per cent of the 1986 level.

Singapore is fully committed to the global effort to protect the ozone layer. So long as practical solutions are available, we will not hesitate to do more for the good of the global environment.

While it is important to accelerate the process of phasing out the use of ozone depleting substances, due attention must be given to the difficulties developing countries face in phasing out the use of CFCs. Our own experience shows that this cannot be done without the availability of alternative technologies and chemicals....

...UNEP has been instrumental in the global effort to protect the ozone layer. In the Asia-Pacific region, UNEP has always been supportive of regional activities aimed at initiating actions in this area....

(3) *Singapore and Cambodia*: Comments by the MFA Spokesman (Singapore Government Press Release No: 26/DEC, 09-0/92/12/17)

The Singapore Government is concerned over the disturbing pattern of recent developments in Cambodia. HRH Prince Norodom Sihanouk this week referred to incidents of political terrorism in the country.

The latest detention of 21 UN personnel by forces of the Khmer Rouge is unacceptable. The UN personnel should be released immediately and unconditionally.

The Singapore Government urges all Cambodian parties to work together with the UN Transitional Authority in Cambodia (UNTAC) to implement the Paris Agreement.

(4) *Presidential Election in Cambodia*: Statement by ASEAN Foreign Ministers on the Holding of a Presidential Election in Cambodia (Singapore Government Press Release No: 16/JAN, 09-0/93/01/15)

We, the Foreign Ministers of the Association of Southeast Asian Nations (ASEAN), view with deep concern the current impasse in the Cambodian peace process.

We are particularly concerned over the intensified military activities in violation of the cease-fire arrangements and the increasing incidents of political harassment, intimidation and even assassinations perpetrated against personalities and political

workers of especially the FUNCINPEC and KPNLF which could eventually lead to renewed large-scale fighting in Cambodia. We are also gravely concerned over the recent spate of killings of residents of Vietnamese origin. We call on all Cambodian parties to co-operate with the United Nations Transitional Authority in Cambodia (UNTAC) and to contribute to ensuring a peaceful and neutral political environment so that there can be free and fair elections as stipulated in the Paris Peace Agreements.

We welcome and fully support HRH Samdech Norodom Sihanouk's announcement of 8 January 1993 that he is ready to be a candidate in a presidential election to be held in April or May 1993. We believe that HRH Samdech Norodom Sihanouk will be able to play a pivotal role in bringing about national reconciliation among all Cambodians which is essential if genuine and lasting peace in Cambodia is to be attained.

We are of the view that Cambodia needs political stability prior to and after the general elections of the members of the Constituent Assembly scheduled to be held in May 1993.

An elected president would facilitate the conduct of the general elections and would also provide an anchor of stability in the period after the general elections. He would effectively serve as the unifying force of the country pending the completion of the drafting of the new Cambodian constitution and the establishment of a new Cambodian government. We believe that such a presidential election would help reinforce the overall peace process and overcome the present impasse in the implementation of the Paris Peace Agreements. We therefore strongly urge all the Cambodian parties to agree to the holding of a presidential election.

We call on all the Cambodian parties to co-operate in the spirit of national reconciliation and to exercise self-restraint in order to prevent the situation from deteriorating any further. We also call on all the Cambodian parties to comply with their obligations under the Paris Peace Agreements. They should ensure the safety of UNTAC personnel who are performing their duties. In particular, we call on the Party of Democratic Kampuchea (Khmer Rouge) to comply fully with all its obligations under the Paris Peace Agreements.

- (5) *"Environmental Issues in Development and Conservation"*: Keynote address by Dr Ahmad Mattar, Minister for the Environment, at the Opening Ceremony of the National University of Singapore (NUS) Inter-Faculty Conference held in Lecture Theatre 16, National University of Singapore on Friday, 12 February 1993 (Singapore Government Press Release No: 11/FEB, 07-1/93/02/12)

Eight months have passed since the United Nations Conference on Environment and Development (UNCED) was held in Rio de Janeiro. UNCED had focused world attention on the need to find a viable and equitable balance between environment and development. It had provoked an intense re-examination of development policies and practices in developing and developed countries alike.

The central conclusion of the Conference was sustainable development. A concept which would help ensure that the wants of today do not lead us to despoil the earth and threaten the means to meet the needs of tomorrow. Since the UNCED process,

many countries including Singapore had made commitments to policies of sustainable development. The real test now lies in the actual implementation of programmes to meet these commitments in the years ahead....

...The effects of human activities on our environment are complex and subtle. The cause-and-effect relationships are often not easily understood. To make matters worse, the demands from developmental and environmental requirements are often contradictory. Nonetheless, mankind must maintain a conscious effort to reconcile economic activities with the need to protect the planet and ensure a sustainable future for all people. Sustainability is our only assurance for continued progress, growth and the long term preservation of our environmental well-being.

We have been fortunate in Singapore to have adopted since the 1960's, an integrated approach towards managing development and the environment. This has ensured that all developments are carefully sited and measures to minimise environmental impact are taken. Over the years, even during recession times, we have not neglected the environment in the course of our constant pursuit for economic progress. This integrated approach has allowed our population of three million to squeeze into the 660 square kilometres of land we have, and yet able to enjoy a clean, healthy and pleasant living environment. Our challenge now is to maintain this enviable situation well into the future.

So, how are we meeting this challenge? In May 1992, the Government published the Singapore Green Plan. The Green Plan lays out the strategic directions that Singapore should take in order to further enhance her environment. The preparation of the Green Plan has given the Government a valuable opportunity to gather feedback from the people on the state of the environment that ours should evolve towards. In formulating the policy aims, many ministries and agencies were involved and consulted as conflicting demands on our limited resources had to be reconciled.

To achieve the aims set out in the Green Plan, specific programmes and action plans have to be drawn up for implementation. Six inter-ministerial workgroups were formed in the middle of 1992 to draw up these programmes and action plans. These workgroups cover the areas of environmental education, environmental technology, clean technology, resource conservation, nature conservation and noise. Special interest groups such as the Nature Society of Singapore, Singapore Manufacturers Association and the Singapore Retailers Association were also represented in the workgroups.

I am pleased to announce this morning that the drafting of the programmes and action plans has largely been completed. My Ministry will be inviting public feedback on the draft action plans before they are finalised and adopted for implementation.

Over the past two years, we saw much public debate on the issues of nature conservation in Singapore. This is an encouraging sign in that it demonstrates the increased awareness of Singaporeans on environmental issues. More importantly, it demonstrates the maturity of our very own environmental movement in Singapore. The need to preserve our natural heritage and to continue to ensure ecological balance for the sake of our limited natural habitats is an essential one. Nature conservation will remain an important factor in Singapore's land use planning process. With the enhanced awareness on the need for nature conservation, we can all expect more effective programmes in protecting and conserving our natural ecosystems in the years to come.

On nature conservation, the Green Plan proposes that we put aside five per cent of Singapore's land area as nature areas, maximise the potential of these natural areas and improve access to these areas without causing harm to the natural habitats. The workgroup for nature conservation has identified areas to be safeguarded for nature. The choice of sites has been such that as diverse as possible a selection of habitat, flora and fauna will be conserved. Corridors of greenery will link major sites to facilitate access to these nature areas. Even for the sea, a few areas of coral reefs, which have continued to thrive despite being in proximity to the busiest port in the world, have been identified for safeguarding. In line with these nature conservation efforts, a culture of appreciation for nature would be cultivated in our present and future generations. However hectic modern living may become, it will be possible at the end of the day to retreat to a nearby oasis of peace and quiet to rejuvenate oneself.

This conference will help generate greater public interest in issues concerning development and conservation. Speakers at this conference have brought with them specialist knowledge and experience. With their assistance, I am confident that the conference will stimulate much discussion on these issues and help clarify many of the questions in your minds. I hope it will also help to generate informed feedback which could be useful towards the formulation of action programmes under the Singapore Green Plan.

(6) *Singapore and Germany: Comments by MFA Spokesman (Singapore Government Press Release No: 09-0/93/02/23, 23 February 1993)*

In response to press enquiries on the discussion between the Prime Minister and Chancellor Kohl this morning, a MFA spokesman said that the meeting was held in a warm and friendly atmosphere. Both leaders agreed that bilateral relations between Singapore and Germany were excellent. However, this could be further intensified and given more structure. Towards this end, officials of the two countries would work out concrete areas where relations could be substantially enhanced, for example, co-operation in science and technology and research and development.

The Chancellor assured the PM that although Germany was preoccupied with European affairs, it was also interested in having a presence in Southeast Asia and to participate in its economic development. In this context, both leaders agreed that the private sectors of both countries could meet regularly to jointly explore investment opportunities in the Asia-Pacific region, East Germany and Eastern Europe.

The two leaders also had a broad exchange of views on the political and economic developments in Europe and the Asia-Pacific region.

- (7) *Singapore and Indonesia*: Speech by Prof S Jayakumar, Minister for Law and Minister for Home Affairs, at Opening of Indonesia-Singapore Law Conference in Singapore on Friday, 26 February 1993 (Singapore Government Press Release No: 33/FEB, 13-1/93/02/26)

...This Seminar was first conceptualised when I visited Indonesia in September last year at the invitation of Minister Ismail Saleh. We both agreed that one important way to improving co-operation between Indonesia and Singapore in the legal fields is to hold a series of seminars on our respective laws.

It is testimony to the close relations between our two Ministries that today within just five months of the Jakarta agreement, the concept has turned into concrete reality....

Legal co-operation between our two countries has since the 1980s been conducted on an informal basis. Through the ASEAN Law Association (ALA), lawyers from the Judiciary, Government and the Bar in Indonesia and Singapore have regular contacts with each other. The ALA General Assembly held recently in Manila in 1992 and before that in Bali in 1989 feature papers from both Indonesian and Singapore on topics such as AFTA, Investment and Arbitration Laws and Computerisation of law firms. I am glad that the Law Faculty of the National University of Singapore has kept up its interest in the laws of the ASEAN countries. I understand that one of its priorities is to establish and maintain good links with its Indonesian counterparts. In this context, it is noteworthy that the Faculty's publication, the Singapore Journal of Legal Studies (formerly the Malaya Law Review) has since the 1980s carried a regular ASEAN section that included articles and materials on Indonesian law. The Asia Business Law Review which is recently published by our School of Accountancy and Business, also had a feature on Indonesian law.

In the field of computerisation, we have been more than happy to share with our Indonesian friends our experiences with LawNet.

Just last month, our economic ties received a boost with the signing of firstly, a memorandum of understanding to develop water resources in the Sungei Kampar Basin in Sumatra for supply to Singapore and secondly, a joint venture agreement which involves the joint development of an industrial estate in Bintan to house light industries. Both agreements envisage the development of resources and infrastructure by joint venture companies. With the acceleration of economic co-operation in the Growth Triangle, it is important that such co-operation is not impeded by a failure to understand the legal framework in both countries.

A better understanding of the laws and legal system is of course not the primary consideration in motivating trade and investments. Economic and profit factors are still no doubt paramount. Laws and legal systems, like roads and utilities, are important infrastructures. A failure to have a proper understanding of the legal framework in which trade and investment operates may create obstacles. In this sense, this seminar will help in removing unnecessary obstacles and thereby facilitating the flow of trade between the two countries. The organising committee has, in identifying the topics for this seminar, tried to cover the basic components of the legal infrastructure namely, tax laws, litigation, financial laws, property law, corporate law and procedural law.

Singapore's lawyers and businessmen and investors will benefit from knowledge and understanding of the laws and legal systems of the countries they are dealing with. It is for this purpose that this seminar will alternate between the two countries in order to benefit as many lawyers, businessmen and investors as is practicable....

- (8) *Singapore and North Korea*: Comments by Ministry of Foreign Affairs (MFA) Spokesman (Singapore Government Press Release No: 06/MAR, 09-0/93/03/16)

The MFA spokesman today said that Singapore was "extremely concerned" by North Korea's statement that it was pulling out of the Nuclear Non-Proliferation Treaty. "This will have very grave repercussions for the situation on the Korean peninsula and for the international non-proliferation regime," he said. The spokesman noted that the UN was already considering economic sanctions against North Korea if it did not co-operate with the IAEA, and urged Pyongyang to reconsider its decision to withdraw from the Non-Proliferation Treaty.

- (9) *Singapore and Thailand in ASEAN*: Speech by Prime Minister Mr Goh Chok Tong at the dinner in honour of HE Mr Chuan Leekpai, Prime Minister of the Kingdom of Thailand on Monday, 22 March 1993, at the Istana (Singapore Government Press Release No: 12/MAR, 02-1/93/03/22)

...Profound global changes have followed the end of the Cold War. In some parts of the world, the changes are for the worse. For our region, they are for the better. The outlook for our region is generally good, although there are uncertainties. Fortunately, members of ASEAN can rely on each other for support. We have worked together to deal with dangers before and we should continue to do so to meet the unexpected.

Singapore regards Thailand as an old friend. We enjoy a strong and broad-based relationship. Our bilateral trade continues to grow at a robust pace. Singapore remains Thailand's third largest trading partner and a ranking investor. Our friendship is time-tested. For more than a decade, our two countries worked steadfastly together, along with other friends in ASEAN, to deny a fait accompli in Cambodia. This common experience, and our close co-operation in the face of adversity, have strengthened our ties.

Today, the challenges confronting our two countries are of a different nature. As the defining tensions of the Cold War disappear, economic competition will cause countries to assert themselves, either singly or as groups like the Single European Market and the North American Free Trade Agreement. We should emulate the examples of the Europeans and the North Americans. We should find ways to combine our strengths so that collectively we can compete better against other economic groups.

The ASEAN Free Trade Area (AFTA) is Thailand's initiative. It is timely. It marks a bold and confident step forward in ASEAN economic co-operation. AFTA will create a more conducive environment for businessmen to trade and invest in

this region. It will create more trade, generate more investments and raise the standard of living of our peoples.

AFTA is now being implemented. I am confident that under your able leadership, Thailand will help set the pace for AFTA. I firmly believe that AFTA has the potential of lifting the economies of ASEAN beyond what each of us can achieve separately. We have agreed to progressively bring down tariff barriers to no more than five per cent over a period of 15 years. If we can achieve this earlier than 15 years, it will be a shot in the arm for the private sector and for our economies.

Bilaterally, there is scope for greater economic co-operation. Singapore is encouraging its businessmen to invest abroad – with emphasis on this region – in an effort to enlarge the external wing of Singapore's economy. Our two countries can both compete and co-operate for mutual benefit....

...Co-operation between our two countries transcends the economic arena. Global uncertainties compel nations like ours to forge closer political and security understanding and co-operation with each other, and with others in the region. I am encouraged that a process of consultation and confidence-building among nations in this part of the world has begun. Political and security issues are now being discussed in the ASEAN Ministerial Meetings and the ASEAN Post Ministerial Conferences. I am hopeful that over time the process will strengthen the basis for peace and security in the region....

(10) *Singapore and Joint Statement on North Korea*: Comments by MFA Spokesman (Singapore Government Press Release No: 08/APR, 09-0/93/04/15)

The MFA spokesman said that the Charge d'Affaires of the Embassy of the Democratic People's Republic of Korea had been called to the Foreign Ministry today and told that Singapore supported the 1 April 1993 joint statement by the depository governments of the Treaty on Non-Proliferation of Nuclear Weapons (NPT) on North Korea's intention to withdraw from the Treaty.

"He was told that we are very concerned about the implications of North Korea's withdrawal from the NPT, both for the situation on Korean Peninsula and for the international non-proliferation regime," the spokesman said, adding that "we hope Pyongyang will reconsider its decision".

(11) *Visit to Japan*: Comments by MFA Spokesman (Singapore Government Press Release No: 02/APR, 09-0/93/04/08)

During Minister Wong Kan Seng's visit to Japan, he called on Prime Minister Miyazawa and had a discussion with the Japanese Foreign Minister Kabun Muto.

During the call on PM Miyazawa, they discussed the changing security environment in the post Cold War period. They recognised that the US continued presence would be vital for regional stability.

During the meeting with Foreign Minister Kabun Muto, they reviewed the bilateral relations between Japan and Singapore and agreed that there should be increased co-operation in the economic area and in expanding existing co-operation

in technical assistance to third country. Minister Wong expressed appreciation for Japan's role in Singapore's economic development. It was stressed that Singapore's lack of natural resources and dependence on foreign capital and technology should be taken into account in assessing the developments status of Singapore.

Both Ministers had an indepth discussion on the security environment in the post Cold War period. They agreed that there should be greater multilateral dialogue about the procedures and mechanisms to enhance regional stability. They looked forward to the discussion on regional security during the Post Ministerial Meeting among the ASEAN and the Dialogue Partners.

Minister Kabun Muto briefed Minister Wong about the preparations for the forthcoming G7 Summit. They agreed that the G7 Summit should discuss ways how to give a boost to the world economy and to address the growing disparity between the developed and the developing countries. They also agreed that the Uruguay Round should be concluded successfully. Failure of the Uruguay Round multilateral trade talk would have severe effect on the developing countries.

Both Ministers also exchanged views on regional developments such as the Korean Peninsula.

(12) *Singapore and Cambodia*: MFA Statement on Cambodia (Singapore Government Press Release No: 12/APR, 09-0/93/04/23)

At the initiative of the Co-Chairmen of the Paris Conference on Cambodia, the Signatory States of the Agreements on a Comprehensive Political Settlement of the Cambodia Conflict declare their firm determination to support the electoral process under way in that country. In particular, they support unreservedly the decision of the Supreme National Council (SNC) of Cambodia that the elections shall be held on 23/27 May 1993. They call on UN Transitional Authority in Cambodia (UNTAC) to continue to make every effort to create and maintain a neutral political environment conducive to the holding of free and fair elections, and support UNTAC's endeavours in this respect. For this purpose, the Signatory States pledge their full support to the Special Representative of the Secretary-General, M Yasushi Akashi, in implementing the Paris Agreements, in co-operation with the SNC. They associate themselves with Resolution 810 as well as other relevant Security Council resolutions.

The Signatory States of the Paris Agreements vigorously condemn all acts of violence committed on political or ethnic grounds whoever the perpetrators and the victims may be. In particular, they express their indignation at the cowardly assassinations of civilian and military personnel of UNTAC who came to Cambodia on a mission of peace. They demand that all Cambodian parties take measures necessary to end all acts of violence and to ensure particularly the safety of all UN civilian and military personnel.

They call upon all Cambodian parties to abide by their commitment under the Paris Agreements to respect the results of the elections provided they are certified free and fair by the United Nations. They express their readiness to support fully the Constituent Assembly and the process of drawing up the Constitution and establishing a new Government for all Cambodia.

The Signatory States of the Paris Agreements express their support for and confidence in His Royal Highness Prince Norodom Sihanouk, Head of State and President of the Supreme National Council of Cambodia, for his crucial role in carrying out the peace process and in promoting national reconciliation. They pledge their full support for the determination of Prince Norodom Sihanouk and the people of Cambodia to achieve a comprehensive political settlement and to proceed with the election. They also support fully the vital role of Prince Norodom Sihanouk and the people of Cambodia in securing the assistance and active engagement of the international community in post election reconstruction and peace-building in Cambodia.

Finally, the Signatory States reiterate their full commitment to implement the Paris Agreements.

(13) Statement by ASEAN Foreign Ministers on the elections in Cambodia
(Singapore Government Press Release No: 19/MAY, 09-0/93/05/18)

We, the Foreign Ministers of the Association of Southeast Asian Nations (ASEAN), note with deep concern the attempts to disrupt the forthcoming elections in Cambodia.

We hold firmly that the elections should proceed as scheduled under the Paris Agreements.

We call on all the Cambodian parties to live up to the spirit of national reconciliation for the sake of Cambodia's sovereignty, independence, territorial integrity and inviolability, neutrality and national unity. We again urge them to comply fully with all their obligations under the Paris Agreements. We regret that the Party of Democratic Kampuchea (Khmer Rouge) has chosen not to participate in the forthcoming elections.

We also call on all Cambodian parties to respect the result of the forthcoming elections as declared by the United Nations. We are ready to support fully the Constituent Assembly, the drafting of a Constitution and the formation of a new government, resulting from the elections in Cambodia.

We reiterate our full support for His Royal Highness Samdech Norodom Sihanouk, Head of State and President of the Supreme National Council of Cambodia, and for his pivotal role in achieving peace and national reconciliation in the period prior to, during and after the elections.

We deplore the acts of violence against the personnel of UNTAC. We call for the further strengthening of security measures for all UNTAC personnel including the International Polling Station Officers, electoral officials and UN volunteers. We further reaffirm our support for UNTAC and emphasize the need for all Member States of the United Nations contributing personnel to UNTAC to maintain their personnel in Cambodia as planned.

- (14) *Regionalisation*: Keynote address by Prime Minister Mr Goh Chok Tong, at the Regionalisation Forum on Friday, 21 May 1993 (Singapore Government Press Release No: 21/MAY, 02-1/93/05/21)

Stay Competitive

The business of Government is to make it possible for its citizens to continuously improve their quality of life. This requires strong and steady economic growth. And continuous efforts to compete for investments. Going regional is part of these efforts. It is not to hollow out investments from Singapore, but to strengthen the Singapore economy and business community. Our priority of attracting high-quality investments into Singapore remains. Going regional must not be at the expense of this.

I was in China last month. I was astounded by what I saw. I have been to China several times before, the first time in 1971 when the Cultural Revolution was in full swing. The last time was in 1990, a year after Tiananmen. China has changed. I saw how much a large country with vast resources and abundant talent could achieve once it decided to open up and embrace the market economy. I saw bountiful opportunities, and how they could increase our national income. At the same time, I felt the competition, and wondered how it might affect Singapore and ASEAN.

Singapore had a head-start in the region with the free market economy. But our success as well as that of the other Newly Industrialising Economies (NIEs) has convinced others who regulated their economies to jog down the same free-market avenue to growth and prosperity. Can we stay ahead? Will we remain attractive to investors and businessmen?

Consider the competition. Between 1979 and 1992, Shenzhen transformed itself from a sleepy village of 27,000 farmers into an instant Hong Kong with 2.6 million people. I did not see 'cangkuls'. I saw hand-phones. Shenzhen had grown at a mind-boggling rate of 46 per cent per annum to become a big, modern city....

...There are many more areas in China which want to be like Singapore. Several believe that they can be better than Singapore.

It is not just China which is opening up. There is now a convergence of economic wisdom. Almost every country is embracing the free market philosophy. Singaporeans must fully grasp the implication of this, and the intensity of competition that we are up against....

Going Regional

Going regional is part of our long-term strategy to stay ahead. It is to make our national economy bigger, our companies stronger and some of them multinational.

This forum is to get our businessmen, public officials and Singaporeans to look outward, to work together to plug into the thriving regional economies and to grow with them. It will be wrong, however, to conclude from the holding of this forum that Singapore businessmen are insular and domestic-oriented.

Our economy has always been outward-looking. Modern Singapore was founded as a free port to service the trade of this region with the then industrialising West.

Our external wing was in fact our first wing. We took off on this first wing and Singapore grew to be a thriving entrepot.

Even as our entrepot trade declined in relative importance in the 1970s, Singapore never turned inward. We did not rely on our internal market to sustain our economy. Instead, we went out to seek foreign investments and export markets. Our global outlook and traditional links will help us in the next stage of our development, which is encouraging Singapore businessmen, not just to trade, but to work and invest in the region.

Going regional is part of our economic evolution, from an entrepot for raw produce and simple machinery and consumer goods, to a manufacturing base serving Multi-National Corporations (MNCs), to a financial services and communications hub, to Operational Headquarters (OHQs), and to be part of what Kenichi Ohmae calls a region state, a borderless natural economic zone "drawn by the deft but invisible hand of the global market for goods and services",¹ joining Singapore to other economic areas.

Going regional is, therefore, about investing our expertise and capabilities in other growth areas in the region, interlocking them with our domestic economy. It is to strengthen our domestic economy, expand our natural economic zone, and ratchet up our standard of living. That is the mission of our regionalisation drive.

Key Principles in Going Regional

...Firstly, spread out our investments. Do not put all our eggs in one basket. This makes not only good economic sense but also sound politics. The region is vast and abounds with opportunities. Our businessmen should investigate all prospects. Wherever we are welcome, and wherever the prospects appear viable, we should explore them. Although China beckons, there are also opportunities elsewhere. India and Vietnam will become attractive as they open up and welcome foreign investments. We should be amongst the first to get through the door.

Secondly, consolidate and build upon our strengths in the traditional areas: Malaysia and Indonesia, as well as the other ASEAN countries. We have done well in these areas and they will continue to grow handsomely in the future. Our fascination with new markets in China and elsewhere should not weaken our historical link with our traditional partners.

Thirdly, go into the new markets with a long term view. Go for a steady and durable relationship. Do not go for quick exploitative profits. We have a good reputation in the region precisely because our businessmen have gone for long-term partnerships. Let us build on this goodwill.

Fourthly, our investments must benefit the host countries, just as the MNCs in Singapore have benefitted us. Be generous in technology transfer and manpower training. This will help them grow faster and we can then grow with them. Re-invest and expand just as the MNCs have done in Singapore.

Finally, be good corporate citizens. Get involved and support the host community in their cultural, artistic, sports and civic activities. Invest some of your returns to help enhance their community life....

¹ Kenichi Ohmae, *The Rise of the Region State*, published in *Foreign Affairs*, Spring 1993.

Investing in Big Countries

Now, let me deal with how we can manage our investments abroad in a coherent manner so as to optimise our efforts. I would recommend a three-prong approach.

Approach I

Let our businessmen follow their own instincts. Let them go to where they think they have the best chance of succeeding. This is what our Small and Medium Enterprises (SMEs) are doing.

During my recent trip to China, I met quite a number of Singaporean businessmen there. Some have been doing business in China for many years, not just trading but also in manufacturing. Their investments are small, geographically scattered, over several provinces and many cities.

I am also aware that Singaporean businessmen in Thailand and Malaysia have followed up long established trading links to set up manufacturing operations or invested in tourism related projects. Vietnam is another country in which some of our businessmen have quietly established a toehold.

Government will encourage, assist and facilitate their efforts by supporting them through its various agencies like Economic Development Board (EDB) and Trade Development Board (TDB).

Approach II

Government or a Singapore consortium will identify a few major projects in selected cities in different regions or countries. These projects should make use of the capabilities and expertise available in Singapore according to an organised Singapore Inc basis. They should have economic linkages and spin-offs to a wide range of Singapore business entities. The Batam/Bintan project with Indonesia falls under this category.

Through such a project, Singapore can transfer its experience in master planning, development and operational management to the host country. Properly executed, such a project will be highly visible and can become the flagship of economic co-operation between Singapore and the host country. It will generate goodwill and business opportunities for Singapore.

Approach III

A third approach is to pick one suitable province or a state which has the potential to be an NIE and whose leaders are keen to tap our experience and expertise in drawing up and executing their economic development plans. This approach will enable us to build up a broad and deep relationship with provincial leaders, which in turn can be used to help our businessmen in securing some of their development projects.

As an example, we can try and forge close relations with, say, the Shandong Province in China. The province has a population of 895 million, which is bigger than Germany's 81 million, the United Kingdom's 58 million or France's 57.7 million. The potential benefits of helping such a province to become an NIE are enormous. We have in fact used this approach in developing economic ties with

Johor, Malacca, and the Riau Province. This direct link with a province must, of course, have the full support of the central government of the country concerned.

The three approaches are not mutually exclusive. They can and should be proceeded with simultaneously.

Joining Forces with Others

There is so much we can do in the region. Our problem is that our manpower resources are limited. We can overcome this constraint by joining forces with others. Fortunately, a number of countries see the advantage of working with us to tap the opportunities in the region.

Prime Minister Narasimha Rao of India is happy to supply trained manpower for Singapore ventures overseas should we need them. When Chancellor Kohl of Germany visited us recently, he suggested that Germany team up with Singapore to invest in China. In Japan, I spoke to Akio Morita, Chairman of Sony and joint Chairman of the Japan-Singapore Economic Advisory Council, to get the Council to study how Japanese industrialists and Singapore investors can co-operate in investments in China and the region. He was supportive.

Conclusion

The Government has taken a number of initiatives to help our businessmen expand into the rapidly growing region. Just as we had tapped into the rapidly growing OECD economies in the past 30 years to transform ourselves from a developing country to an NIE, we should now use our experience and resources to help the expanding regional economies become NIEs. East Asia will become prosperous. Singapore is in the midst of it. We will all benefit from going regional.