

**OPENING REMARKS BY MS INDRANEE RAJAH, MINISTER IN THE
PRIME MINISTER'S OFFICE, SECOND MINISTER FOR FINANCE
AND NATIONAL DEVELOPMENT, AT THE ASEAN+3
MACROECONOMIC RESEARCH OFFICE (AMRO) ASEAN+3
REGIONAL ECONOMIC OUTLOOK (AREO) 2021 WEBINAR ON
WEDNESDAY 7 APRIL 2021, 10.35 AM**

AMRO Director Mr Toshinori Doi,

Distinguished speakers,

Ladies and gentlemen.

1. A very good morning to all of you.
 - a. Thank you for inviting me to the ASEAN+3 Regional Economic Outlook or AREO webinar.
2. I would first like to extend my warmest congratulations to AMRO for your 10th anniversary this year.
 - a. Since its inception, AMRO has grown from strength to strength; fulfilling its role as a credible and trusted macroeconomic surveillance outfit for the ASEAN+3 region.
 - b. The best example of which is AMRO's flagship AREO report, which is in its fifth edition this year.
3. This year's thematic chapter, *Global Value Chains in the Post-Pandemic "New Normal"*, is both timely and relevant.
 - a. The reconfiguration of supply chains presents both challenges and opportunities for the region.
4. These supply chains are a significant lifeblood for ASEAN+3 economies, comprising about half of their regional and global trade.
 - a. As a small and open economy, Singapore's Global Value Chains participation rate is 60% in 2019. The highest in AMRO's index. It is a reflection of how we are linked to international trade and a measure of how shifts in trade flows affect our economy.
 - b. So the findings of this report are especially relevant.

5. And as we gradually exit from the pandemic, we should also redouble our efforts to ensure that the region remains a key part of Global Value Chains.
6. Allow me to offer two suggestions:
7. First, we should strengthen connectivity.
 - a. Interdependence, rather than independence, will provide greater diversity and resilience to our supply chains.
 - b. I am glad to note that at the onset of the pandemic, several economies in the region issued a Joint Ministerial Statement on Supply Chain Connectivity to reaffirm our commitment to maintain open and connected supply chains.
 - c. Our participation in regional free trade agreements such as the Regional Comprehensive Economic Partnership or RCEP will also help. I therefore look forward to the early ratification and entry into force of the RCEP.
 - d. Another example is Customs connectivity. We should work to integrate the ASEAN Single Window with the National Single Windows of Dialogue Partners to ensure a seamless and secure flow of trade.
8. Second, enhance infrastructure investments to take advantage of supply-chain reconfigurations.
 - a. Good quality infrastructure like ports and roads need to be ready; and there is an increasing demand from consumers that their supply chains be green and sustainable.
 - b. One example is the Phnom Penh Logistics Complex, an initiative under the ASEAN Smart Logistics Network. It uses logistics technology to improve supply chain processes and resilience.
 - c. Another example is the Nongsia Digital Park in Batam. It shows how countries can work together to host IT companies and digital talents from Indonesia, Singapore and Southeast Asia, to tap on new opportunities in the digital economy.
9. To realise these, we will have to explore new ways to crowd in private sector capital.
 - a. To this end, Infrastructure Asia has launched a standardised core project finance loan document template with bespoke clauses, to expedite and reduce the cost of project finance.
10. I wish AMRO a successful AREO webinar. And I look forward to continuing our meaningful discussions with colleagues at the upcoming ASEAN+3 Meeting in May and the Asia Infrastructure Forum this June.
11. Thank you very much.