

# The US-Singapore Strategic Partnership: Bilateral Relations Move Up a Weight Class

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Singapore is often described as a country punching above its weight. That is certainly true with regard to US-Singapore relations. Going from strength to strength, recent developments have moved our bilateral relationship up a weight class. In February 2012 in Washington, DC, we launched the US-Singapore Strategic Partnership Dialogue (SPD) during a week when bilateral relations between our two countries received more attention than at any other time in recent history.

The newly-launched SPD promises to profoundly elevate US-Singapore relations. The United States participates in strategic dialogues with many countries, but few carry the significance of the one launched with Singapore. The signing of a Memorandum of Understanding on the SPD by US Secretary of State Hillary Clinton and Singapore's Foreign Minister K. Shanmugam gives testament to the strengthening US engagement in Asia that has been on full display over the last few years.

Located nearly equidistant between Beijing and New Delhi, between the Indian and Pacific Oceans, in the middle of a region many have dubbed as the likely engine of global economic growth in the coming half century, Singapore would be important if for no other reason than the luck of its geostrategic positioning. For the United States, the city-state has long held a significant place in our policy toward Southeast Asia, despite its diminutive size (a population of 5.2 million and a land mass not much larger than Washington, DC).

US-Singapore relations are multifaceted, but have historically rested on the twin pillars of security and trade. The 2005 Strategic Framework Agreement (SFA) set the vision for our military-to-military relations, providing us with extraordinary security cooperation. Singapore has more military personnel training in the United States than any other country in the region, and our joint exercises, both bilateral and multilateral, are robust and sophisticated. The United States and Singapore also cooperate internationally, safeguarding shipping routes in the Gulf of Aden and deploying troops to support the international mission to rebuild Afghanistan. During our recent discussions with partners in the region on force posture review, Singapore did not waver in living up to the spirit of the SFA, and welcomed the forward deployment of a US Navy littoral combat ship. Having the ships in the region will allow our two countries to pursue one of our primary shared interests: maritime security, assuring stability and free trade routes in the seas surrounding the Strait of Malacca.

American economic engagement with Singapore recently has taken off as well. The US-Singapore Free Trade Agreement is arguably the most successful bilateral FTA America has signed. During the first eight years of the US-Singapore FTA, which came into effect in 2004, two-way trade has increased over 59 percent and US exports by over

89 percent. Singapore was the United States' 11<sup>th</sup> largest export market in 2011. US exports to Singapore rose 7.7 percent to \$31.4 billion in 2011 and bilateral trade crossed the \$50 billion mark. The United States ran its sixth largest surplus in 2011 with Singapore, at over \$12.2 billion, and, at over \$106 billion through 2010, US direct investment into Singapore made the Lion City America's third largest FDI recipient in the Asia-Pacific region, well above China, Indonesia, India, and other larger markets in the region. Add in the fact that the World Bank has labeled Singapore as the easiest place in the world to do business for the past six years, along with Singapore's consistent ranking atop the list of least corrupt countries in the world, its third-place global ranking in 2011 by the International Monetary Fund in terms of per capita GDP at \$59,936, and its liberal economic policies, and the conclusion quickly emerges: Singapore finds itself in the middle of an emerging center of gravity for global trade and investment.

In fact, Singapore is home to more than 2,000 American companies, including much of the Fortune 500, many of whom use Singapore as a hub to cover Asia. While the domestic market is small, the impact on the region emanating from Singapore is tremendous. Many of the decisions made by American companies regarding their resources in this dynamic region are made in the shiny glass towers of Singapore's central business district or one of Singapore's industrial zones. In Singapore, the American executive considers how to do business in Asia—from developing customers in the banking sector across the region to shipping remanufactured machines for the mining industry.

Building on our defense and commercial successes, leaders in the United States and Singapore have recognized the need for a third pillar establishing an elevated political and economic dialogue for purposes of ensuring that the full range of our mutual interests are protected over the long term. Non-traditional challenges have emerged to test the relationship—issues that include transnational terrorism, the proliferation of weapons of mass destruction, and the need to respond rapidly to large-scale disasters in the region. The SPD provides a framework to address these challenges as well as to proactively cooperate to promote values we share, such as diversity and respect for the rule of law. Importantly, the SPD also establishes a regular and institutionalized process through which we can discuss cooperation in the emerging Asian architecture, including at the East Asia Summit, with ASEAN and at APEC and other regional organizations.

Perhaps the best evidence that the SPD moves the relationship to a new level came in our first meeting of the dialogue when we announced our plans to jointly extend technical assistance to lesser developed countries, specifically the Lower Mekong countries. This program extends our cooperation regionally, in particular, but not limited, to ASEAN member states in the Lower Mekong region, and opens new areas of collaboration ranging from public health and education to economic development. Combining our respective expertise, both Singapore and the United States can maximize our efforts to support regional capacity-building and economic development and thereby strengthen regional institutions and relationships.

The inaugural meeting also demonstrated that the SPD can serve as an action-forcing event. At the inaugural meeting in February, the United States announced that it

would accept Singapore as a full partner under the Hague Convention on the Civil Aspects of International Child Abduction. Ensuring the prompt return of wrongfully removed or retained children to the country of their habitual residence, where decisions on issues of custody and access may be made, thus discouraging international parental abduction, is precisely the type of issue on which close partners should collaborate. After the Convention enters into force between Singapore and the United States on May 1, an annual dialogue on children promises to provide an impetus for bringing outstanding issues to conclusion and will offer a forum for continued conversation as we work together to ensure that abducted children's welfare is protected in these difficult cases.

However, there was more to the February events in Washington than the SPD. Minister for Education Heng Swee Keat met with US Secretary of Education Arne Duncan and signed a Memorandum of Understanding on greater cooperation on education issues. This important collaboration bolsters one of the strongest aspects of our relationship, educational exchanges. The education MOU leverages our complementary strengths to identify ways we can equip our young people with the tools and knowledge they need to face a changing global economy.

Additionally, Second Minister for Trade S. Iswaran met with US Trade Representative Ron Kirk to discuss progress on the Trans-Pacific Partnership (TPP) Trade Agreement. Many view the TPP as the forerunner of a 21<sup>st</sup> century free trade agreement that has the potential to lead to an eventual FTA for the Asia-Pacific region. The TPP promises to be a high-performing agreement that is comprehensive in scope and includes cross-cutting issues, such as regulatory coherence and small and medium enterprises' participation in global trade, as well as emerging trade issues not addressed by previous FTAs. The United States, Singapore and other TPP partners share a common vision of expanding the agreement through an open architecture that allows other Asia-Pacific countries to join, not by invitation, but by their own determination that they are ready to meet the high standards of the agreement. Perhaps the best indication of the importance of the TPP to enhancing trade and investment were the APEC 2011 announcements from Japan, Canada and Mexico of their desire to join the TPP. If we do it right, the TPP could serve as the foundation for a new economic architecture across the Asia-Pacific region.

Besides meeting with Secretary of State Hillary Rodham Clinton, Foreign Minister Shanmugam, in his capacity as the Minister of Law, also met with US Attorney General Eric Holder where they exchanged views about their respective experiences and committed to enhancing our legal cooperation. One recent example of this cooperation was the decision by Singapore's courts to extradite four individuals in connection with their attempts to defraud and evade US export controls (also known as the *Corezing* case). The *Corezing* case has demonstrated how the United States and Singapore work together to confront proliferation networks and to more generally address issues of mutual concern. While the *Corezing* case has been an example of how 21<sup>st</sup> century law enforcement is most effective when countries work collaboratively, it also has highlighted where we can continue to expand and improve our law enforcement cooperation. The SPD provides a mechanism for our continued discussions on how to elevate this cooperation in ways that allow us to better address the new challenges that confront us.

The week culminated with an incredibly impressive “Singapore Conference,” hosted by the Center for Strategic and International Studies in Washington. The list of speakers read like a *Who’s Who* in Southeast Asian policy. For an entire day, many of the brightest Singaporean and US officials, thought leaders, business executives, and journalists focused on our strategic relations, candidly and critically addressing topics ranging from the political changes taking place in Singapore to cooperation between Singapore and the United States on regional and global priorities.

But in order to elevate the bilateral relationship and to support US strategic and economic interests in the region, it will necessitate our two sides sitting down on a regular basis to discuss where we see trends emerging and how we can plan strategically to address challenges. The SPD is critical, therefore, to ensuring our mutual interests are protected over the long term as the competition for influence in this region intensifies. As outlined in our Joint Vision Statement, we now have institutionalized mechanisms to address 21<sup>st</sup> century challenges, such as nonproliferation, counterterrorism, maritime security, transnational crime, regional economic integration, energy security, and disaster response management. Going forward, we now have this forum to discuss how we will cooperate in the emerging Asian architecture, such as the East Asia Summit, with ASEAN and at APEC and other regional organizations.

Of course, the US relationship with Singapore, as with any country, will continue to have challenges. We will pull no punches when discussing areas of concern to us, such as freedoms of press and speech, and we will be willing to take a fresh view and acknowledge progress, such as the creation of political space for a viable opposition in Singapore’s 2011 “watershed” (to use Prime Minister Lee’s word) elections. But what our new dialogue has demonstrated is that, while our differences may have been the starting point of discussions in the past, the focus now is on how we can move forward together.

As the United States reinvigorates its engagement with Asia, it would be easy to overlook tiny Singapore or assume that the fine state of relations we currently enjoy can be taken for granted when setting our foreign policy priorities. It would also be a mistake. Rightfully, as the United States renews its emphasis on this critical region, we look to Singapore and see a good partner ready to join us in pursuing shared interests ranging from security to trade to diversity to rule of law. And we are taking the necessary steps to ensure that the relationship, like Singapore’s vibrant port, gets lifted with the rising tide in Asia. Years from now, the SPD and the other events of February 2012 will be remembered as milestones marking a profound turning point in the growth of US-Singapore relations.