Ambassador Chan Heng Chee: Thank you, Prime Minister for agreeing to participate in this dialogue session. We have been looking forward to this the whole morning. Now we have 45 minutes for this session, which means I really have to start with very little extra comments.

PM: Go ahead.

Ambassador Chan Heng Chee: Let me explain the format to the audience. I will begin by throwing three questions to the Prime Minister and the floor is yours after that. We will invite questions from the floor and when you ask questions, please send them through electronically to me, or I will recognize you by turning to the audience, wave a paper or a handkerchief and I will see you. So, Prime Minister let me begin by asking you the first question. We live in a world today that is faced by disorder, challenged by disorder. What worries you most for Singapore when you think of the following? ISIS, Ukraine, the implications of Ukraine, Ebola, Scottish independence – they voted no but it could be a ‘neverendum’ – or rising nationalism in Asia and the territorial disputes and someone mentioned in the last session protectionism?

PM: Well, it is a very connected world. So things which happened far away can have a very quick impact on us. If you worry about all of the things, you will not get to sleep at night. But you have to think about them before you go to bed. So I would say I think of two things before I go to bed. One is what you described as rising nationalism in Asia and you can see it in many countries, in China, in Japan, in Southeast Asia and some other countries. You can see in territorial disputes; you can see it in the tone which is taken in the national debates and in an exaggerated and often very harsh and nasty way in the internet discourse. And I worry about it because we have enjoyed more than half a century basically of peace and stability in the whole of the Asia-Pacific region. And people say it is the Asia Pacific Century but to make that happen, you have to continue to have peace and stability and you need good relations between the major powers and there must be space for the small powers like Singapore to survive and to make to a living for ourselves in a predictable and secure world and nationalism can upset that. So that is one thing which I worry about. The other thing we have to pay attention to is ISIS. It is not a problem with a Poke solution but it is a problem because it is not just in the Middle East, but people all over the world are drawn in to it. Some online, some by personal contacts and you find fighters there who are from America, from Europe, from Southeast Asia, the Malaysians have people there, the Indonesians have people there. There is just a report today that there was a Malaysian woman, doctor, 26 years old, who went there in order to marry an ISIS fighter. And she is completely au fait with social media, she blogs about the cause and there is a picture of her, completely covered up. What is it which has possessed people to go and want to do such things in a faraway land? There have been Singaporeans who have done that. So if they destroy their own lives, that is one thing. They come back and they bring back trouble to our societies, there is more difficulty. So we have to worry about that.

Ambassador Chan Heng Chee: Thank you. Now this morning, we talked a bit about the Trans Pacific Partnership (TPP) and the Regional Comprehensive Economic Partnership (RCEP), the second will be on trade. In fact, trade negotiations are stalling. TPP is not
working fully, it is stalling. RCEP stalling and recently we found the Bali package negotiated by the trade ministers, the WTO trade ministers facilitating trade also, you know, not being ratified by India actually. Let me ask you, do you think TPP will conclude and what are the implications if TPP is not completed?

**PM:** Well, I hope TPP will conclude. We have promised to conclude about three years in a row. So I think this is our last chance to fulfil our promise and if you do not fulfil your promise this year, you will be running into the American presidential elections in two years’ time and I think there will be further delays of an indefinite nature. And you will lose a lot because it is an ambitious deal, it is a deal which has strategic as well as economic benefits. It brings together all the key players in the Asia-Pacific or many of the key players on both sides of the Asia Pacific. China is not in but Japan is. Southeast Asia is there, Australia is there, so is Latin America. And it has very significant economic advantages. I mean we already have bilateral FTAs with many of the participants but this will allow us to do regional cumulation which means when you manufacture in many countries, you can add together all the value-added content and qualify for the benefits and so more of your trade will be free. And it will cover new things like electronics, commerce as well as intellectual property protection. So it is a major step forward and a major factor which can contribute to the stability and the prosperity of the Asia Pacific. And one day the Chinese may want to join. I know that not before long, the Koreans will also want to join and we will have a free trade in the Asia-Pacific.

**Ambassador Chan Heng Chee:** Now the United States is a partner of TPP. In fact a leading one, but the United States is not in a lot of the trade negotiations and FTAs in the region. With so many American participants here, I wonder if you could explain what it would mean for the United States if TPP is not comprehensive?

**PM:** It is the only game you have in play for trade. We have many other trade arrangements going on. America is not party to them, you are party to this. The US President has said that America is a Pacific power, and will remain so. It will rebalance and have a strategic and significant presence in the Asia-Pacific. And to have a presence, it is not just battleships and aircraft carriers and aeroplanes. You have to have trade; you have to have those exchanges, that interconnection and interdependence. And TPP is your way of doing it. You do not do this, or you are just giving the game away. We are all in Asia, interacting, integrating, trading with one another. Our trade with China has become the biggest of our trading partners around the world, bigger even than America, bigger even than Europe last year. It has not been so for many years. It is now. It is so for many of the ASEAN countries, even for Japan, China is the biggest trading partner. Even for South Korea. So if you do not promote trade, what are you promoting? What does it mean when you are a Pacific power? It just does not make sense but Congressmen have different calculations and you have to make this sense percolate through and register with them. And maybe after the midterm elections, you will have a window to do that because after you have negotiated the agreement, it has to be ratified and in America, that cannot be taken for granted.

**Ambassador Chan Heng Chee:** Indeed. Now my third question, Prime Minister, will be on Singapore. Business people in this room want to know what is the next frontier for Singapore. We have invented ourselves and reinvented ourselves over the years. What is next for us? And how do we stay competitive?
PM: Well, it’s a never-ending business. I have just spent a week in southern China, and I went to Guangzhou, I went to Shenzhen, then I went to Guangxi which is not quite so developed, and also to Hongkong. And you can see how the people are moving, how quickly they are thrusting ahead and with that anxiety and urgency that they do not want to be left behind by the next-door city and we are a next, next-door city. So I was asked do I see this as a threat, I say no, provided we are also moving ahead. If we do not, we will be in trouble. We have constraints, with land area that is finite, we reclaimed land but every square kilometre of land you reclaim means one square kilometre of sea which you lose for the port and our harbour. So we expand the space but really what we need to do is to re-use and exploit over again the space which we already have. Higher, deeper, smarter, better integrated, better designed. It is urban planning, it is your economic renewal, it is really the renewal of your people and their skills and be able to engage them to the full and engage them to operate in a consistent and aligned direction. So we are not all pulling in different directions, lots of smart guys, result zero – which happens in a lot of countries and must not happen in Singapore.

Ambassador Chan Heng Chee: Will it be harder to keep this discipline in the country?

PM: I think so, I think so because we are starting from a higher base and when you start from zero, you know acutely that where you are is something to rejoice and to give thanks for. If you start at this point, well you assume that this is what ought to be and the natural way the world is, and you hope for something better and you can strive for something better. But that same awareness of fire and brimstone is not quite the same.

Ambassador Chan Heng Chee: Thank you. Now I am going to open this discussion to the floor and invite questions from the audience. When you ask your question, could you please state your name and give us also your organization. The question is on cross border labour movement. Singapore is doing its bit to restrict labour supply. What is the right formula to solve this tricky issue? And should countries ease the regulation to allow free movement of labour to spur growth and reduce inequality. Oh this question comes from Sandi Uno from Saratoga Capital, Indonesia.

PM: Well, I would not say we are doing our best to restrict supply of labour. We are doing our best to manage our population and our workforce in a sustainable way so that it can grow but in a way which our resources can support and our infrastructure can support. If we just open our doors and say anybody can come, free movement of labour, I think tomorrow there will be one million people on the way here, maybe more, some will fly, many more will come by boat and it will be a different Singapore. So we cannot do that. So we have to grow in a way which is sustainable and we must be able to manage the inflow in a way that talent can come in and people who can make a contribution to Singapore can come in and will be welcome in Singapore and that is what we are trying to do. I think that from the point of view of countries which have got surplus labour, or people who are looking for work and want to work overseas, you would like rules to be laxer. From the point of view of having economic results, there has to be flexibility and talent must be able to flow and services must be able to be delivered across borders, so you can have people come in do a project, build a hospital or even become doctors and lawyers or accountants and be able to operate that way. But from the point of view of managing a sustainable society and country, I think some
controls along borders will be necessary for a long time. If you look at the debate in America about immigration, it is a very fraught subject. You look at what has happened in Europe where you have got Schengen and people can move freely. Britain does not have Schengen but they are already worried about the flow of people coming to work within the EU. And these are real problems which have to be dealt with.

**Ambassador Chan Heng Chee:** And we are not going to get it in ASEAN anytime soon. Free movement of labour.

**PM:** I think that there will be mutual recognition of qualifications, there will be arrangements to allow for people to work across borders, for people to visit and do projects but to say that within ASEAN, you can go anywhere you want just as in Europe, you can go from Romania to Scotland, well, even the Scots have views on that matter.

**Ambassador Chan Heng Chee:** Now, there is a question from Kishore Mahbubani of the Lee Kuan Yew of Public Policy. The question is – this morning the ASEAN Economic Community was discussed. There was scepticism that ASEAN will deliver on its AEC commitments in 2015. Is Prime Minister Lee optimistic that ASEAN will come through by 2015?

**PM:** I think we will pass. I am not sure I would award myself a distinction but I think we will pass the exam because we have already done most of the term assignments. I mean the deadline is December 2015, but we have been making progress along the way and about 85 percent of what we promised to do we have already done. So we are a substantial way there. Of course, the rest of it will include some of the more difficult things to do and I am sure there will be some leftover jobs which will have to be done even beyond the deadline. But that is the way it is when you are bringing sovereign countries together and trying to work a deal on a win-win basis.

**Ambassador Chan Heng Chee:** Right now we have about 90 percent of tariffs down for all the countries?

**PM:** Yes, I think tariffs are no longer the problem. There are non-tariff issues, there are always some other sorts of restraints and ingenious ways by which local operators can persuade the regulators or the governments to lean a little bit in their direction without appearing to do so. I think these games will continue to be played and we just have to have a counter-balancing force within ASEAN to press against that.

**Ambassador Chan Heng Chee:** And it will include services?

**PM:** I think it already includes services, not as much as goods but it does include services.

**Ambassador Chan Heng Chee:** Alright. Any question. Is there a question from the floor? Prime Minister will go with the flow, he says. Yes, I think Martin Sorrell.

**Q:** Prime Minister Lee, there are a number of very great similarities between Singapore and Scotland – both historic, size, GDP size. Is an independent or non independent Scotland viable or not?
**PM:** Well, everybody believed and we believed that an independent Singapore was not viable and it happened to us and we proved ourselves wrong. So it may be that you can do the same in Scotland. You have resources, you have oil, you have beautiful scenery, you have very talented people. I am quite sure that you will be able to survive this in the world. There are many non-viable countries in the world which survive.

**Ambassador Chan Heng Chee:** You are not encouraging Scottish independence, are you?

**PM:** Since it is the morning after, we have had a drink and we can afford to say. But you are a part of the Great Britain. You have been for 300 years, you have got a strong Scottish identity which have been maintained all these 300 years. So I can understand the sentiments. It is a beautiful country, it is a glorious place to be, but if you are looking to the future, you really have to be part of a bigger whole and in Singapore, we tried to do that. I mean we wanted to be part of a bigger whole in Malaysia and we really believed that if we did that, there would be a common market, there would be an economic base, there would be greater security over the long term and we went for that. It did not work, we came out, we accepted this as our karma. We have made this work thus far. I think in Scotland, your conditions are less precarious than ours because you are more like Canada next to America rather than Singapore in the middle of Southeast Asia. So your odds are not as long as ours were in 1965. But why do you want to go that way if you can have the advantage of having your cake and eating it while being part of the status quo improved? That is my view. In Singapore’s case, we had no choice, we went the other way and succeeded. I do not know which way you voted in the referendum.

**Ambassador Chan Heng Chee:** But we know one person in the room who voted for Scottish independence. There is a question from the audience and it is this. It is from Jaishankar from the Brigade Group. Since ISIS and rising nationalism worries Prime Minister, what in your opinion should be the way to find a solution?

**PM:** Nationalism is a very powerful force. It can be a plus, it can be a minus. If you harness it to get people to take pride in themselves and to work to develop and grow, you can transform the country. I mean if you are not proud of your country, you are not going to go anywhere. But at the same time, you have to understand that you are living in a world where you have to have to be friends with others, where power is not the only factor, and if you are going to maintain your power, then being able to have that equal relationship with other countries, it is something which is critical. And I think small countries know that instinctively. We look to build up our armed forces and our national pride, but we also look to make friends with neighbours. I think it applies also to the big countries. I mean it is one of the reasons why America has been able to maintain its position and it is welcome in the region all these decades. So you do not need a solution to nationalism, you need to channel nationalism in a direction which is constructive and which is compatible with us all prospering together. ISIS has no solution in terms of going in and taking them out and making peace break out in the Middle East. You can do various things to hem them in, weaken them, knock out their leaders, deploy your drones. But even if you put boots on the ground which the Americans had, hundred thousand boots on the ground in Iraq until not very long ago. You cannot really change fundamentally the texture of the society and the people there and when you are gone, the problem will come back. So that is a very difficult problem in the Middle
East. What we can do in our own homes is to watch to the security, watch to the confidence building and trust building between the different communities, and make sure that amongst our own communities here, the Muslims have leaders who will stand up and say that the ISIS that is not Islam, that is evil and we repudiate them and condemn them and try and prevent people from being misled by them. And that fortunately in Singapore, we have got religious leaders who have said that and said that emphatically and I think that the population in general understands that. Once in a while, you get people who are led astray and if we are lucky, well we discover it and pick them up early. If not, once in a while, they slip through and we have a couple who are in Syria and Iraq, including a woman with teenage children who are there and the children are part of this. So it is something to be taken with absolute seriousness.

**Ambassador Chan Heng Chee:** We, of course, encountered the Al-Qaeda threat in the region a few years earlier and it was still there and we were watching for this and then ISIS was a new phenomenon. You think ISIS is a more serious threat? About the same?

**PM:** Well, they are not trying to change us. Al-Qaeda explicitly had a group in Southeast Asia which was aiming to set up a caliphate, an Islamic state which covered all the Muslim parts of Southeast Asia and we are not a Muslim part of Southeast Asia but we are right in the middle thereof. So we were directly the target. In the case of the ISIS we are not their targets. Their target is a caliphate where they are but people go there and adopt their cause and fight there and if they come home with that passion and those convictions and those skills, who knows what is going to happen. You see what the Australians have just had to do? They have picked up a bunch of people because they had information that the man in the Middle East had called up the main in Australia and said let us randomly behead somebody and inspire terror in the Australians. They think very differently from you and me.

**Ambassador Chan Heng Chee:** Yes, thank you. Is there a question from the floor?

**Q:** Prime Minister, most of us in the emerging nations aspire to be one day like your country. The way you have provided for healthcare, education, security for your society. It is truly a role model for any nation. Yet we see some form of stress developing even in the Singaporean society. When they have everything that the whole world would want to have, why do not you see that they are satisfied in all that you have provided for them? This is not the role model, all the efforts of eradicating poverty, bringing better life to hundreds of millions of people, if eventually they are going to get used to a better life and still be stressed about it, is it better to be having a Bhutan model of spirituality?

**PM:** Well some of us were attracted to the Bhutan model of spirituality but the Bhutanese held a general election and the government lost and the opposition who once said that all this stuff is just stuff and we need to resolve problems and have growth. So I accept that as the human condition that wherever you are, you would like to be better and wherever you are not, sometimes appears to be better. And so things hopefully progress and sometimes go around in great circles. And I think we are at a good level by international standards but I would be very sad if we concluded that we were unimprovable because we had reached perfection. That is the surest way to go downhill. That you can always do better, you always need to improve and there will also be new issues which will arise, which will become new problems which did not use to exist. For example, our population is ageing. I mean when our
population’s average age was 20, and we built flats, we could build flats where there was lift on every five storeys. So you have a ten-storey building with lift goes up to the fifth and the tenth storey. If you live in the middle either you go up and walk down or you go stop down and walk up. It is only two storeys, you are young. Today old people already in the 60’s, some 70’s and 80’s, you ask them to go up and down steps, some of them maybe wheelchair bound and even if not, a step appears like an obstacle course. And well, that means we have got to put money in and build new lifts and provide for the mobility and the needs of the old people, and it is not just lifts so that they can go up and down, it will also be medical care, it will also be nursing homes, it will also be social needs so that they are part of the community. So no society is static and reaches a level of perfection. You always want to have that passion to improve but you should also have some of the Buddhist acceptance. That how do they put it? That resources are finite and desires are unlimited.

Ambassador Chan Heng Chee: Thank you. I think there was a question here.

Q: Mr Prime Minister, my name is Ajay Banga from MasterCard and my question really is that the digital economy is a large part of the possibility of growth, of productivity in the future. In many ways, your government and your country have made a lot of investments in that space. How do you think about the other side of this which is cyber security, cyber theft, cyber terrorism, the issue is expanding, it does not receive the public attention it probably should. My fear is two years later sitting in a room like this that would be the first topic that came up in the list that kept you awake at night. So I would like to understand how you are thinking about it and how leadership of your calibre and thought process is approaching the issue?

PM: Well, we think about it quite a lot because we think that digital economy is a big part of the solution to improving Singapore. We talk about a smart city, we talk by Big Data, we talk about having sensor network so that you know what is happening all over the island and if something does happen and you can bring the information together, you collate it, you can relate it to your database, makes sense of it and react to it. We talk about having systems where you can have remote medicine where you can be at home and you can be doing your physiotherapy because you may have had a stroke and be able to have your physiotherapist in the hospital watch you, track whether you are doing it correctly, give you advice, vary your medication and so on. All these are marvellous things which can happen. But you must have systems which are secure because otherwise somebody will capture your heart pacemaker or your other critical systems and either subvert you or do some harm to you and we have had some incidents; we have had data stolen sometimes from the government. Fortunately so far not serious ones, sometimes from the private sector. I think one website just had 300,000 accounts stolen just a few days ago. K-Box website but even the K-Box website can be the key to open up many other things in the people’s lives. So it is something which we are taking seriously. We need to upgrade some of our systems. We do not go around telling people where they are weak but I know there are things which we need to upgrade and one of them is we have got the Singpass which is an ID to access all your government services. And we really need to go on a two-factor authentication because right now you have a password and everybody knows that half of the passwords in the world are spelt PASSWORD. I am sure some of them in this room are too. So we have to change but to get everybody to go to you say two-factor not everybody even knows what two-factor is. And then to have the infrastructure which is working and not just against normal failure but
against malevolent intent of intrusion and exfiltration, for people to come in and take out information or to damage your system. I think that is very frightening. You have your water plants, you have your power plants, and you have your telecom networks. If they come down, well, life comes to a stop. So we are putting resources into this. It is something which we are working with other countries but at the same time, some of these things you have to do for yourselves.

Ambassador Chan Heng Chee: Now I have quite a few questions coming in. This one is from Mr James Riady of Lippo Group. The question is Prime Minister, I wonder if you could share your views about Singapore’s hopes and concerns for Indonesia as your largest neighbour?

PM: Well, after President Suharto resigned and in quite difficult circumstances back in 1998, we worried which way Indonesia would go because Suharto had given us stability for 30 years and that stability had created prosperity in Indonesia and allowed other countries in Southeast Asia to prosper and many things could have gone wrong. I mean you have separatist groups in different parts of the country. You have extremist groups which are operating and in fact, we discovered the Jemaah Islamiyah group subsequently. You have social issues to resolve. To grow the economy is a big challenge and it was not all geared that a successful path forward would be able to be found. And it took some time to find a path forward but Indonesia did and for the last ten years, we have had President Yudhoyono and there has been stability, there has been growth, there has been a certain basis for the ASEAN countries to work together, big and small. You may be 200 plus million, you may be few hundred thousand, but we are ASEAN countries, we work together. And what we would like to see in the next phase is for that happy state of affairs to continue. The new president, President Jokowi, or President-elect Jokowi has come in with a very strong mandate. He has got a very clear sense of the needs of the ordinary Indonesian citizens. He wants to do good for the country and he has started off talking about one quite difficult subject which is how to reduce subsidies on fuel which are taking up one quarter of the state budget and squeezing out other urgently needed spending on hospitals, on education, on infrastructure, and so many other things. And we can only wish him every success. There are pressures in every society. You asked me about nationalism earlier. I think we have to watch how nationalism develops in Indonesia as in other countries and we have to watch how the relationship evolves over the next five, ten years and whether the changes which the new President will want to make will take and will help him to consolidate and strengthen his position to do more good or not and that is never easy to do because you are building on success but you are going to make change which is not easy, otherwise would have been done already.

Ambassador Chan Heng Chee: Now there is a question from Mr Meher Pudumjee from the company Thermax. Do you think the Singapore Model is replicable on a larger scale? If Singapore was the size of say, India, what a thought, could you have achieved what you have done currently?

PM: No, I do not think so. I think it is not replicable not only because of scale but also because of history and circumstance. We are an island, we came through a certain history of colonial government which laid the base for infrastructure, for the way our society became, we had certain formative experiences in the anti-colonial period, fighting for independence, fighting against the communists, going into Malaysia, running into new problems in Malaysia,
coming out from Malaysia suddenly and the shock of that sudden independence, galvanizing a generation of Singaporeans and their children to do something exceptional together. Those are unique circumstances in a unique environment where it may not have resulted in success but fortunately for us, it did. In a different country, the circumstances are quite different. I mean India is a huge and diverse society. We say we have four official languages but in India, you have twenty-something official languages and few hundred different languages spoken. And you have got caste, you have got religion, you have got geography, so it is a completely different circumstance. China is also completely different. But maybe if you look at how we have solved individual problems and the approach which we have taken, you can pick up some ideas and apply them in your own environment. We have tried to do that in China. We have had some success in Suzhou Industrial Park where we said how about we do in China in one city or township something like what we did in Singapore using the ideas and the approaches we did in Singapore adapted to you and then it can be a model for other things to be done in China. And with quite a lot of trouble, eventually we succeeded in doing that. So we have a township, it is successful, it is adapted from what we have here but it is a success on its own terms and it has been a model which tens of thousands of officials have come from all over China to look at and pick up ideas from and to do in their own ways all in their own cities and provinces. We wanted to do the same in India. We still would like to do something like that in India but so far, we have not managed to get it off the ground and we hope that perhaps eventually we will be able to start doing something like that.

Ambassador Chan Heng Chee: Yes, and another question. This is from Kevin Schneider from McKinsey. One of the side effects, he says, of Asia’s rapid growth is growing income inequality. How serious is an issue is this inequality, unequal growth and what do you think Asian leaders should be doing? By the way, he also puts a P.S., he is from Glasgow, Scotland and he thanks you for the nice comments about his home country.

PM: Well, thank you. I think first of all, I am not sure that rising income inequality is the result of rapid growth. You see rising income inequality in Europe, in America, even in Japan, they have no rapid growth to worry about. But they are seeing these trends and we are seeing some of the trends in Asia also. It is partly from globalization because we are seeing hundreds of millions of quite low-paid workers joining the global economy in China, in India. It is partly because of technology, because the jobs are being automated and what used to be a skilled person’s job, now can be done by a skilled robot or skilled AI programme but whatever it is, it is a worldwide trend and it is causing some social tensions and unhappiness. Some of it I would say candidly is to put it as; how shall I put it politely? Some of it is because everybody is talking about it, it has become the fashionable thing to talk about. So you have books written about it, we have articles Mr Piketty, a French economist writes a book it becomes a best-seller which is quite amazing for a subject like that and so it is become cocktail table conversation. Some of it is real but what can you do about it? I think what we can do as individual governments is first to upgrade our people so that they have skills which are in demand to the maximum extent possible. And not just people who go to universities and have degrees but people who may go on a technical route, people who may work what we called thinking hands. That means hand work but with skills and train and educated. This is what Heng Swee Keat was trying to explain yesterday when he spoke to you at dinner last night. I think giving people the skills and generating growth is part of the solution. So with the skills, you can generate growth and we can generate jobs for the
people. But at the same time, there is a role for the government to redistribute and to give everybody what Mr Lee Kuan Yew used to call “chips to play with”. So we help you to have public housing, home ownership, we help you to have very good education which is subsidized, we make sure that the healthcare which is also of a high quality and available to all. Therefore, we level up and we enable a greater sense of equity and justice in the system. I think that is possible to do. If you go on theoretical solutions, you will say we should have a global wealth tax or a global income tax or better still, we should outlaw extreme wealth but I do not think those are going to happen and I do not think if you try to do that, you would make the world happier. What is possible to do within individual countries, we can do and the income inequality may be there but in absolute terms, I think we can improve lives for nearly everybody in the society provided they work at it and are prepared to make the effort.

Ambassador Chan Heng Chee: Thank you. We are running out of time. About three minutes left but there are a couple of questions. This one comes from Takihiro Matsutomo from Caixin Media. According to news reports, Prime Minister, you have sent the Malaysia Prime Minister Najib a letter regarding the reclamation projects in Johor Baru. Can you make comments on these concerns?

PM: Yes, we have been in contact with the Malaysians over the reclamation projects. In fact, we have answered questions in Parliament on them. So what you have read is what I am about to tell you. And that is that the Malaysians have some reclamation projects in the Straits of Johor, they are quite major. We are concerned that there may be transboundary implications for us and we want to be quite sure that we will not be adversely affected. So we have asked them for Environmental Impact Assessments and to understand what is happening and I am quite sure we can work the issues with them.

Ambassador Chan Heng Chee: Now the last question, I will give it to Simon Tay and his question is actually a rather long one. Prime Minister, the growth of China can help many prosper, especially the rest of Asia, yet some distrust China over issues such as the maritime claims. Can more trust be built in our region and how?

PM: I think it is one of those issues where words do not solve the problem. You can give a verbal answer but really as the Chinese say ‘listen to his words and then look at his actions, his deeds’. 且听其言，观其行 And I think that it has to play out in the way China acts, in the way the regional countries respond and the interaction between them because it is not just China, it is also the other claimant states which have to take measured, reasonable, proper views and approaches to these disputes which are consistent with international laws and including the Law of The Sea. And it is something which will have to play out over a period of time. The last two years, I think have been stressful and we hope that there will be an improvement in the future.

Ambassador Chan Heng Chee: Well, thank you, Prime Minister. We have just heard Prime Minister Lee Hsien Loong cover a wide range of questions and cover much terrain. I think you can see for yourself now why Singapore is doing as well as it is. Please join me to thank Prime Minister Lee.

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