

**PRESS STATEMENT FROM THE PRIME MINISTER'S OFFICE - SENIOR
MINISTER GOH CHOK TONG'S INTERVIEW WITH ARIRANG TV'S
"DIPLOMACY LOUNGE" IN SEOUL, THE REPUBLIC OF KOREA**

Senior Minister (SM) Goh Chok Tong visited the Republic of Korea from 20 to 23 February 2008 to deliver the special keynote speech at the 2nd Asian Leadership Conference organized by the Chosun Ilbo. During the visit, SM was interviewed by Ms Park Soojin, Host of the programme "Diplomacy Lounge" on Arirang TV, on 21 February 2008. Below is an edited transcript of the interview, which was aired on 23 and 24 February 2008 on Arirang TV in the Republic of Korea and other countries.

Ms Park: Among the key figures taking part in the Asian Leadership Conference is Senior Minister of Singapore, Goh Chok Tong, who joins us to share his views on effective leadership and governance. Thank you for joining our programme, Senior Minister.

Senior Minister, the Asian Leadership Conference held this week provides Koreans with an opportunity to learn about, among others, Singapore's example of successful reform under your leadership. While efforts at reform tend to accompany instability, it's widely known that over your 14 years in power, you led a very stable government. How was it possible to maintain national stability while introducing so many reforms?

SM: Well, I was fortunate to be a DPM for some time before I became PM. So, I was able to establish rapport with the people (before I took over as PM). In other words, I would say that trust between the government and the people is very important. If there is trust, when you tell the people what you want to do, they will listen to you. So trustworthiness is an element which must be present in order for the government to take tough policies. You've got to say what you mean and do what you say. You promise, but do not over-promise, because you must deliver on your promise.

Ms Park: So that's what helped you maintain a stable government.

SM: That's an important element. Of course, you must be able to grow the economy. And when you grow the economy, you must share the fruits. Nobody must be left behind. As you know, this is a very globalised world. In this globalised world, the people at the top have their incomes pulled up. And those at the bottom have their incomes squatted upon by the global workforce. So you have to find ways whereby those at the bottom of the economic ladder also see the benefits of globalization.

Ms Park: As Korea prepares to undergo a power shift with President-elect Lee Myung-bak taking office next week, many Koreans are expecting an overhaul in the economic, political and social sectors. Although Korea and Singapore are countries with very different circumstances, do you think any of the policies that succeeded in your city-state can be applied to the incoming government in Korea?

SM: This morning, at the Chosun Ilbo Conference, I was struck by one phrase which the President-elect used, and that was "Global Korea". For Singapore, in order to succeed and sustain our economic growth, we emphasise that Singapore should be a global city. "Global Korea" is a bigger version of a global city. The first experience which I think we can share with Korea, in order to grow the Korean economy, will be to be an open economy. That means to set (yourselves) up to be a very open economy to compete against others. "Global Korea" means an open Korea. You cannot be a closed Korea and yet be global.

Ms Park: But openness also means more competition.

SM: Yes, exactly. We do not have natural resources. By we, I mean both Korea and Singapore. So, what do we have? People. If the people cannot compete, then of course, we will be running in the second tier in the economic arena. If you aspire to be running in the Olympics, you've got to compete, like it or not. You've got to learn to compete. And I've confidence that Korea can compete. I've seen the Korean people. I know they are intelligent. I know they are very hardworking. I know they are very determined. So, open up, compete and I believe Korea will be able to do very well.

Ms Park: One of the incoming government's significant tasks is ratifying the Korea-US Free Trade Agreement (FTA). But there are a lot of obstacles keeping it from getting parliamentary approval from both countries. Back in 2003, you nearly single-handedly pushed through the US-Singapore FTA. Taking into account the ongoing differences over the trade deal between Seoul and Washington, how do you envision them reaching a breakthrough?

SM: Well, I will share with you how we did it. When we negotiated the FTA with the US, we knew that there would be problems, objections and obstacles in the US. So we set out to reach out to these people, who felt uncomfortable with an FTA with Singapore. We had extensive dialogues with the people – Congressmen in particular, and those with vested interests. We tried to identify the people who supported the FTA and get them on our side. Those who were skeptical about the FTA, we got them to not go against the FTA. In Singapore, we also reached out to our own business people. We educated our people that an FTA meant competition, but we could compete, and we'd have a big market in the US, if we had an FTA. So using our experience, I think Korea should also reach out to the American Congressmen and business people who are against the Korea-US FTA.

Likewise, in Korea's case, I know that the agricultural sector would be very much against the FTA. So you have to reach out to them to tell them that maybe they may suffer some loss of income through competition, but there are other ways to help them. You've got to reach out to the wider economic community to tell them that the benefits to the whole economy outweigh the losses in some areas.

In the case of Korea, as I understand it, I think it boils down to two key items - automotive exports from Korea to the US; in other words, the Americans are worried about the automotive exports - or the components - because you are competitive. And on your side, there are objections from the agricultural sector, in particular, the import of beef - American beef - into Korea. By the way, I have tasted your beef. It is very good. I think you can compete with American beef, so do not be afraid.

Ms Park: But the prices (of Korean and American beef) are quite different...

SM: The prices are different, but if you have good beef, you can charge a higher price. American beef could be cheaper, but you've got to reach out to the farmers to tell them that we know you have problems, but we would find ways to help you. If you can solve the beef and automotive problems, I think you can get the Congressmen (in the US) and the National Assembly members here to support the FTA. It is very important for Korea to have an open market in the US, where the tariffs would be much lower than they are now for your exports.

Ms Park: Yes, it is. And I guess the incoming government is going to do their best to get the FTA ratified soon.

As leader of Singapore, you faced many challenges, including the Asian financial crisis of the late 1990s. Today, there are global concerns over the repercussions of an economic recession in the US. How should smaller countries like Korea and Singapore cope with factors like this that are outside their control?

SM: To be able to cope with a US recession, we've got to get our basics right. You've got to turn the clock backwards – have a good budget, have a good economy and strong fundamentals. When the US recession sets in, we'd all be affected. Our growth may go down by maybe 1 or 2 percentage points. But if our basics are right, we can cope with it. We have the surpluses to see the people through a very bad patch.

And also, we have been working together with Korea (and others) to establish more regional trade and investments. The Northeast Asia-ASEAN dialogue has succeeded in establishing a closer network between our traders, our investors and our businessmen. We have also been forging FTAs, such as the Korea-Singapore FTA and the China-Singapore FTA.

If the US goes into recession, because of the homework that we have done, we are able to depend on growth in China. Without China growing or without India growing, I think we will be very badly hit. But because we

have prepared ourselves for this, we can now seek some comfort in the growth of China and India. So a US recession will hit us, but not as badly as if China and India were not growing.

Ms Park: Now, let's take a quick look at Korea-Singapore relations. What are some areas that you believe the two countries should boost cooperation in for the good of both sides?

SM: Seizing on the agenda of the new government, which is to have a "Global Korea", reform the Korean economy and make it more open, I can see the benefits of linking up the two economies – a global Korea and a global Singapore. Both of us can look for ways where we can become a forward platform for each other. Korean companies can come to Singapore and use Singapore as a platform. Because we are global in outlook, your investors can use Singapore to export, not just to the region in Southeast Asia – but also beyond, to the Middle East, for example, or even to Europe. Likewise, we could encourage Singapore companies to come to Korea to see what we can do and use Korea to export to the US, where you are competitive in certain things, and also to the region, namely China and Japan. These are just basic ideas, which can be fleshed out.

Take for example, the question of ports. We can be your port in Southeast Asia and you can use our port for transshipment. If Korea has an open skies policy, you can be the hub for Northeast Asia. We have an open-skies policy. We can be a hub for Korea, if Korean Airlines flies to Singapore and beyond. These are possibilities. But of course, it means adjustments on both sides. But as I said just now, we should go back to basic principles. Have confidence that you can compete. If you are confident, then we can pair up with each other.

Another area where we can cooperate is investment in third countries. I've been spending some time in the Middle East. I see opportunities for us to work together with the Arabs for investments in third countries. We can get them to invest in Korea. For example, Koreans, Singaporeans and Arabs can invest jointly in Korea, in Singapore or elsewhere.

Ms Park: With the entire conference focused on leadership and change, would you say there's any consensus on the traits considered crucial for a national leader to succeed, particularly in times of change?

SM: An important element is trust. You've got to gain the people's trust. That must come across in the leader's communication and speeches, as he persuades the people to follow him in difficult policies. Secondly, the leader must have ideas, because trust alone without ideas would not get you very far. So the leader must have ideas - a vision for what you want to do. I think that is an important element in all leaders. You are able to paint your vision to the people and then implement the vision. If you have those two elements, then, of course, you can get the people to follow you. And thirdly, you must have a policy of sharing what the country has harvested with as many people as possible - if possible, with all the people. Without this sharing, some groups will be very unhappy with whatever you may do. These are the elements that a leader must have: the ability to gain trust, the ability to come up with solutions to problems big and small, and then you have to share the benefits with the people.

Ms Park: I understand that you have plans to meet with President-elect Lee Myung-bak. What were your impressions of him, after having met him?

SM: He came across as a very determined person. Just by looking at him this morning (at the Asian Leadership Conference), I felt that this man - if he wants to do something, he will get it done. Secondly, he's a man with very good social intelligence. He was meeting the speakers - there were seven or eight of us. He was able to go round the table, talk to them and ask them some specific questions regarding their countries. He had done his homework. He was able to reach out to each and every one of us and make us feel comfortable that he knew each of us as a person, and he knew our countries very well.

Ms Park: So you have positive impressions of him.

SM: Yes, very positive.

Ms Park: Senior Minister Goh, you are highly regarded for your leadership and wisdom. Your achievements have helped Singapore grow into the thriving economy it is today. What's next on your agenda? Do you have any specific goals that you plan to push through?

SM: Yes, I have. Besides being helpful to the present PM and government, my own personal and professional goal is to open up new economic space for Singapore. I have gone to the Middle East. I am now going around a second time. I would visit countries with which we have very little relations, like Libya, which I am going to in May. Who knows, maybe next year, I may go to North Korea. As a former PM and a serving Minister in the Cabinet, as a Senior Minister, I can have easier access – than just a normal minister – to top leaders in other countries. With the experience and track record which I have, I find it easier to try and talk to people and convince them on doing certain things with Singapore. That's my personal goal in the next few years of my tenure as a Minister in the Cabinet.

Ms Park: Senior Minister Goh, thank you for being with us and sharing your insights.

SM: Thank you very much for this opportunity.

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