

# THE STRAITS TIMES

## Seamless goods transport to a 3rd nation a possibility as S'pore, Vietnam eye boost in ties: PM Lee



Prime Minister Lee Hsien Loong being welcomed by his Vietnamese counterpart Pham Minh Chinh at the Presidential Palace in Hanoi on Aug 28. PHOTO: MCI



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HANOI - Singaporean and Vietnamese carriers might in future be able to deliver goods and ferry passengers to other destinations more seamlessly, by continuing on after transiting in either country.

This is one of the areas Singapore is keen to move forward on as the two countries consider upgrading their bilateral relations, said Prime Minister Lee Hsien Loong on Tuesday.

In a meeting on Monday, he and his Vietnamese counterpart Pham Minh Chinh agreed to explore the possibility of upgrading bilateral relations to a comprehensive strategic partnership in the future. This is the 10th year of the strategic partnership between both nations.

PM Lee said that what goes into that label is something that both countries' foreign ministries have to work together to reach an agreement on.

“One of the areas which we are keen on, and which we have suggested to the Vietnamese side, is in the air services agreements,” he told reporters on the last day of a three-day official visit to the Vietnamese capital of Hanoi.

These agreements would not simply mean enhancing services between Singapore and Vietnam, said PM Lee.

Singapore has suggested looking at fifth freedom rights for flights beyond Singapore and Vietnam, especially in the area of freight services, he said, citing the example of a route from Hanoi to Singapore, and then from Singapore onwards.

This will allow airlines from either country to pick up goods and passengers in the other country and carry them to a third destination. This, in turn, helps to create economic opportunities for both countries in areas such as aviation and logistics.

“So this is something which we have to discuss with the Vietnamese side. We need to find a substantive package so that when we go to a comprehensive strategic partnership, there's meaning in that new term,” PM Lee said.

Singapore and Vietnam have been exploring ways to strengthen their air links over the years, with PM Lee also raising the issue of liberalising air services when he last made [an official visit to Vietnam, in 2017](#).

During his trip this week, the two countries reviewed areas where they have made progress, and explored other opportunities for collaboration.

The Republic and Vietnam have identified energy connectivity, sustainability, and digital solutions and innovation as new and emerging areas in which they want to improve cooperation.

They upgraded their Connectivity Framework Agreement to reflect this, and inked several new memorandums of understanding (MOUs) in areas such as sustainable infrastructure and the exchange of innovation talent.

The two countries also made strides in industrial park development, with four new Vietnam-Singapore industrial parks (VSIPs) announced on Tuesday, taking the total number of VSIPs across Vietnam to 17.

The existing parks have attracted more than US\$18.4 billion (S\$25 billion) in investments and created about 300,000 jobs.

Pointing to how the number of VSIPs has grown steadily over the past 27 years, PM Lee said: “It shows that it's a project which has done well, which is making a significant contribution to the Vietnamese economy and to our bilateral relationship, because it's an icon of what is possible for the two countries to do together.”

Singapore was Vietnam's second-largest foreign investor as at last December, with a cumulative investment of US\$70.8 billion.

Asked how Singapore can also benefit from Vietnamese investments, PM Lee said Vietnamese companies have not gone overseas on a big scale so far.

Nonetheless, opportunities in Vietnam generate jobs for Singaporeans in both countries. Some companies have production functions in Vietnam, while the services and headquarters functions are in Singapore, said PM Lee.

“So I wouldn’t look at it as needing reciprocity in terms of Vietnamese investments needing to match our investments into Vietnam,” he said.

“I think in due course, that will come as their economy develops and reaches a higher level where companies will want to go overseas, just like (how) the Chinese companies have now gone overseas in quite a significant way, and many of them are present in Singapore,” he added, citing tech giants such as TikTok and Alibaba.

“Meanwhile, the relationship is a very good one,” he said, pointing to the upgrade of the Connectivity Framework Agreement.

Reflecting on his engagements in Hanoi, PM Lee said he has known Mr Chinh since the Vietnamese Prime Minister took on the role more than a year ago.

“But this time, I’ve had the chance to chat with him at greater length. He’s been very generous with his time, and spent a lot of time with me on several events, and I think we have established good rapport,” he said.

The leaders met students from the Vietnam National University (VNU) on Tuesday, as well as participants of the inaugural Singapore-Vietnam Youth Leaders Exchange programme. They also witnessed the signing of two MOUs between Singapore’s Nanyang Technological University (NTU) and Vietnamese universities.

The first, with Hanoi’s VNU, focuses on faculty and student exchange, as well as joint research projects in areas such as sustainable development and climate change. NTU will also partner VNU-Ho Chi Minh City for research on air traffic management.

PM Lee said: “It’s always energising to meet young people – full of beans, full of ideas, enthusiasm, (and) what they want to do next to change the world. It makes you feel young again.”

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