

## **Issues- Closing Borders: Can Singapore survive in a protectionist world?**

Excerpt: Learn more about the challenges that may arise in a world that is affected by trade protectionism.

With an ongoing trade war between China and US, as well as, the resurgence of nationalism in Southeast Asia, there is a sense of fear and volatility in the global market. These challenges pose a significant risk to Singapore's robust growing economy.

### **Progressing in an uncertain world**

To cope with the obstacles present in a protectionist world, Singapore has to reduce its reliance on trade to propel growth and instead, shifts its focus on other areas of growth.

First, Singapore's decision of digitising its markets allows it to stay competitive globally. To drive pervasive adoption of digital and smart technologies throughout Singapore, the government has introduced the Smart Nation initiative to focus on data-driven sectors that are not limited by the land constraints faced in Singapore. For instance, the advancements in financial technology, also known as "FinTech", are increasingly shaping the future of businesses and the transactions made. This raises efficiency, create economic opportunities and allows for better management of risks. Therefore, by changing its scope of economic growth, Singapore is more prepared in managing with the problems that arise in today's world.

"No man is an island" - Singapore is just a tiny red dot on the world map, it cannot rely on itself alone to survive in today's protectionist world. Rather, it has to work together with the other nations to drive growth and development in the long run. Thus, the pursuit of regional cooperation has been one of Singapore's core objective over the years.

2018 was a historic and memorable year for Singapore as it was given the opportunity to take on the Chairmanship of ASEAN. Under its leadership, the ASEAN Smart Cities Framework with 26 pilot cities was established. It offers a platform for regional cooperation to achieve smart and sustainable growth through the use of technology and innovation efforts. United as one, ASEAN can navigate through these challenges in an effective manner to harness the opportunities and improve the lives of its citizens. This successful partnership also acts as an insulation against trade protectionism and other economic threats faced now and even in the future.

Moreover, ASEAN also fostered a stable environment for everyone in Southeast Asia. This increases business confidence for investors and the result is the inflow of Foreign Direct Investments (FDI), as well as, an increase in the exchange of goods and services into these countries. Hence, boosting economic growth, peace and prosperity for all in the region.

### **The dangers**

However, it is important for Singapore to take into consideration the potential limitations that may hinder its development in achieving its long term goals. Geopolitical dangers posed by the rising tensions from territorial disputes in the South China and East China seas are factors that could disrupt the progress of Asia's increasingly interconnected economies. These dangers have a potential of escalating into conflicts between nations and strain relationships across borders.

For Singapore, these challenges will affect its trade patterns and volume of trade, making it more vulnerable to sluggish growth and poor market sentiments, decreasing FDI and consumption in the economy.

In conclusion, in an era where nations are becoming less open to external competition and forces, there will be a reduction in the volume of goods and services transacted. Thus, to ensure that Singapore can continue to flourish, it has to tap on the expertise of others while expanding its domestic industries to attain growth in the long run.

**Students who are interested to learn more, you can join our GCE A level preparation class. Please call Simon Ng @ 96890510 for more consultation.**