

Keynote Address

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H.E. SM Mr Goh Chok Tong

H.E. Mr Zeng peiyan, Former Vice Premier of China.

Ladies and Gentlemen

Let me begin by thanking the 3 organizing Institutions for giving me this special privilege to speak at this Outstanding Conference. HONOUR.

My special gratitude to ESM, my Mentor for 26 years. Singapore maybe a small country and India has 1.3 billion population but Singapore has been a great teacher to me and the Institutions I have been associated with CII and Ananta Aspen Centre. And, to INDIA.

There are several experts to speak after me. So, I shall therefore take a broad perspective of the subject "Technology, Innovation and Global Supply Chain. I shall make 15 specific points.

The World in the 21st Century is experiencing a Technology and Innovation Tsunami. That right, Tsunami and the force of this Tech Tsunami is likely to get stronger. The Tsunami challenge. The Technology Challenge.

And, the central capitals of this phenomenon are USA and China. Other countries follow these 2 leaders.

The challenge for all of us-how to cope. How to manage. How not to be overwhelmed.

At the same time, manage and sustain the Global Supply Chains which have been existing to the benefit of many countries and corporations.

In fact, the GSC concept connected USA and China for several decades to the advantage of both.

This is Point no. 1. The Tech and Innovation Tsunami and handling of it, together.

2. With the Backdrop of Nationalism, Protectionism, the ongoing US-China Trade Issues, and disruption of Global Supply Chains, are we getting into a new kind of Cold War, different from the ideological Cold War between USA and USSR?

Or, is this an aberration for 4 years, maybe 8 years, by the US?

The distress in USA about China goes deep and wide, we are told. So, is it realistic to see it as aberration?

When will USA adjust either to focus on its own competitiveness strategy or accept China as a equal in terms of Technology and Innovation?

3. As an aside, let me say that the separation of Global Supply Chains will not be good for Technology Innovation since Innovation depends on the adoption of ideas from other Innovating countries. Some of the most Innovative and Technological Nations such as Japan, Korea, USA are high both in terms of royalties paid to other Nations and the royalty received from others.

Innovation depends on openness and this is under threat for the future.

If the US and China Technology value chains separate, other Nations may be forced to make a choice. This will also not be good for overall Technology Innovation. As the former Vice-Premier of China said yesterday “Decoupling” has many problems.

The impact will also be felt in the Digital Economy where Chinese and American firms dominate.

Also, concentration of Technology Power with a few is of concern. With it comes concentration of Intellectual Property ownership and control. This is already leading to reactions.

4. Now, a different point. Technology, today, is usually, Dual-use. Commercial and Strategic or Defence. As we think about Technology, Innovation and GSCs, we need to remember this aspect and the possible consequences.

5. Another dimension which I must mention.

The explosion of Technology, Innovation is the access which Terrorism has to further their Agenda. They have their own GSCs.

6. Therefore, Technology and Innovation can also be a double-edged sword. And, different countries have different standards. But, there are implications for everyone’s National Security.

7. The USA-China Trade rivalry is already moving into the Technology sphere.

US A has a track-record of achievement in Technology and Innovation.

China is speeding up its national effort which is showing very good results.

The sharing of Global leadership in Technology and Innovation is likely to become a Reality even though China may experience some pain in the short-term.

China has no choice but must ramp up its Innovation capacity so as not to be dependent on the US.

Other countries, like India, with rich technical talent are feeling the same way. We are seeking Technology and Innovation Independence but open to Partnership.

USA will not be able to stop other countries from buying advanced Technology from China. Allies of USA are showing the way. This will also be a new reality.

8. Another dimension has been added in recent years.

Through the Digital Economy. SMEs are also part of the GSC system, increasingly. They are players. They are in the field. Their involvement in the GSC system is a natural development.

9. Whatever model one looks at, Governments play a central role in promoting Technology Development, Innovation and Global Supply Chain. This is universal. So Governments have an important say in Policy and Strategy and in Partnerships and sharing.

But, Policy makers are not able to cope with the explosion of Technology and Innovation and complexities of Global Supply Chains.

In fact, the lead Nations in the area have to develop Technical Cadres with domain knowledge to manage the future.

Technical Talent is available in USA and China. Also, in India, which is why Global Research and Development Centres are numerous in India. But, this Technical Talent needs nurturing and development. We can't run with the Tsunami if we don't have the People.

Let me conclude with a few suggestions.

- a. This meeting held yesterday and today cannot be a one-off. This Dialogue needs to be continued. ESM, please note. Singapore is ideally placed to be catalyst.
- b. What are the choices before USA and China?
 - i. Compete
 - ii. Conflict
 - iii. Collaborate

We need to avoid Conflict-for everyone's sake. Can we see a picture of Compete and Collaboration? For example, avoid separating GSCs? This thought needs more detailing and study. Can Asia help? Asia is affected.

- c. Is there 1 area where US and China Technology and Innovation can and must collaborate?

I see 1 great crisis – the Climate Change crisis. It affects all. It impacts all, and, our families. Kids. Can there be a serious Dialogue on this?

Technology and Innovation and Global Supply Chain → Climate Change Crisis.

- d. What happened when there was Tsunami? Did we not all collaborate? We are faced with a different kind of Tsunami now. Can there be an effort to frame new norms, new Rules to deal with Technology and Innovation and Global Supply Chains? Can 10-12 countries or the G-20 do this?

We are in a new World.

We are in a world of Technology and Innovation moving at high speed.

USA and China are the Leaders.

In ESM's words, can there be Moderation? And, can a process be set in motion to rebuild TRUST, step by step?

The Rules of the Past were framed by the West.

The Rules for the Future have to be framed by East and West, together.
Without Decoupling .

So that we have a shared future. Asia must, in its own self-interest, and, in the interest of China, USA and the World, get into the game and make a difference, through Dialogue, to rebuild communication, to rebuild Trust between USA and China.

KEY ROLE OF SINGAPORE.

TRUST IN ESM.