

**Keynote Address
by the Federal Chancellor
of the Federal Republic of Germany
Olaf Scholz, MdB**

**at the Asia-Pacific Conference
of German Business**

Singapore, 14 November 2022

Deputy Prime Minister Wong,
Ministers, lieber Robert Habeck,
Sehr geehrter Herr Busch,
Excellencies,
Participants of the Asia-Pacific Conference,
Ladies and gentlemen,

Thank you very much for your warm welcome and for the opportunity to share a few thoughts with you today!

I would like to begin with a little story that links my hometown, Hamburg, to our beautiful host city of Singapore.

It's the story of Theodor August Behn and Valentin Lorenz Meyer.

These two friends from Hamburg arrived at the free port of Singapore in 1840 – keen to enter the flourishing trade with so-called “tropical goods”. They started their business with just three sailing boats. Soon they traded spices, silk, cotton and tea across the oceans – between Singapore, Indonesia, China, the Philippines, and back and forth to Germany.

Behn Meyer is still operating today. Instead of trading “tropical goods”, though, it has become a supplier of high-end products – from agri-care to life science, with over 1,000 employees in South East Asia alone – and also some in Hamburg 😊.

Ladies and gentlemen,

The story of Behn Meyer offers a few takeaways, also for us today.

The first one is this: it's always good for someone from Hamburg to come here to Singapore.

Deputy Prime Minister Wong, thank you for your wonderful hospitality and for hosting the Asia-Pacific Conference here!

And thank you, Minister Habeck, Mr. Busch, and everyone involved in the preparation of this conference, for bringing us together!

You chose the right place. Just like my hometown, Hamburg, Singapore owes its admirable economic success to free trade, to its connectedness and openness to the world, to its central location in one of the most dynamic economic areas on the globe.

The second takeaway is:

Free trade can transform a company with three ships into a global player.

Free trade can turn a small port town of 5,000 people on the Strait of Malacca into the global metropolis that is Singapore today. And we find similar success stories in this region – from Bangalore to Busan, from Hanoi to Jakarta.

On 5 November 1890, in a special edition on “Germans in Singapore” the Straits Times noted: *“it has all been for the good of the Straits. If the Straits have bought goods from Germany, it was because these particular goods suited our trade; if the Straits have sold produce to Hamburg, it is because Hamburg was willing to pay the market price.”*

The article might be dated. But the concept is not.

Free and fair trade benefits all parties involved.

It remains a foundation of our prosperity.

I know that I’m preaching to the converted here. With the Regional Comprehensive Economic Partnership and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, the Asia-Pacific region has created two huge free trade areas.

In Europe, these agreements spurred our ambition to take our own trade agenda forward. Our existing free trade agreements with your region – with Japan, Korea, Viet Nam and Singapore – are true success stories.

So I'm glad that we reached a political agreement with New Zealand in July.

We also want to see quick progress in the ongoing negotiations with Australia, India and Indonesia and remain open to new agreements beyond that.

Both our regions benefit from greater regional integration.
Both aim for stringent environmental and social standards.

That is why it is so important to work towards more free trade between our regions.

Deepening cooperation is crucial, because we all feel that the geopolitical ground beneath our feet is shifting.

Russia's brutal war against Ukraine might be far away geographically – but its consequences – hunger, energy shortages, inflation – are global. This war is jeopardising our peace order and the idea of a world built on common rules. Hence why it is so important that we don't let Putin get away with his imperialistic goals.

I'm grateful for the clear condemnation of Russia's war of aggression by so many of you.

For your support for the sanctions regime.
And for your help in the reconstruction of Ukraine.

This support shows that a partnership based on values and principles is not an empty formula. And let me add that such support is never a one-way street. What applies to Europe regarding Ukraine also applies to Asia, Africa or Latin America. No country is the "backyard" of another.

On my recent first official visit to China, I expressed firm support for the rules-based international order, as enshrined in the UN Charter.

President Xi Jinping and I concurred that threatening with the use of nuclear weapons was inadmissible – and that the use of such horrific weapons would cross a red line that humankind has rightly drawn.

I appeal to President Putin to mark these words.

I also raised our concerns over the growing insecurity in the South China Sea and the Taiwan Strait. And I questioned China's approach to human rights and individual freedoms. Every UN member state vowed to uphold these rights and freedoms.

The outcomes of the recent Congress of the Chinese Communist Party leave little doubt that today's China is different to the China of five or ten years ago. Our political and economic approach needs to reflect that.

Of course, China remains an important business and trading partner. And I know that many of you here in this room and in the region share this view. But it always takes two to tango.

And the Asia-Pacific region is much more than China. The Asia-Pacific Conference is looking at the *entire* region for over 30 years now. And that is precisely why my government has decided to strengthen our support to this conference.

The current geopolitical environment and the economic side-effects of the pandemic call for more resilience and for building greater technological sovereignty. Japan's economic security policy is an interesting example in this regard.

Reducing risky, one-sided dependencies when it comes to certain raw materials or critical technologies will play an important role in the National Security Strategy that we are currently working on. Our view of the matter is clear: the best way to achieve more resilient supply chains is to diversify our trade relations.

- It is no coincidence that my first trip to the region as chancellor took me to Japan.
- We held inter-governmental consultations with India in May.
- We invited India, South Africa, Senegal, Argentina and Indonesia to join our deliberations at the G7 Summit in Germany – and we are headed towards the G20 Summit that starts in Bali tomorrow.
- President Steinmeier visited South Korea and Japan while I was travelling to China.
- A large German business delegation joined me on my visit to Viet Nam yesterday and here, to Singapore, today.
- And, last but not least, I'm here with you – as the first Chancellor who has the privilege of attending this conference in person.

My message is: Germany is keen on strengthening its economic ties with your region!

Ties that have benefitted both sides since the days of Theodor August Behn and Lorenz Meyer.

Diversification, however, doesn't mean de-coupling. That difference matters at a time when concepts such as near-shoring, de-globalisation and self-sufficiency are gaining traction.

Often these ideas are nothing but protectionism in disguise. And protectionism leads to nowhere.

A world with new or resurrected trade barriers and de-integrated economies will not be a better place.

A decade ago, at the age of 94, my predecessor Helmut Schmidt undertook a last journey to Asia to bid farewell to an old friend, former Singaporean Prime Minister Lee Kuan Yew. They talked about globalisation and what it meant for both of their countries. Globalisation opened the entire world for my country, Lee basically told Schmidt in one of their conversations. This is not only true for a city state like Singapore, but also for bigger, more populous countries.

De-globalisation is not an option for anyone of us!

Take the fight against climate change, against global health crises and food insecurity, or the transformation towards climate-neutral economies. Innovation is the key to *all* of these global challenges. More trade barriers, however, would lead to *less* competition and *less* innovation.

Ultimately, it is, of course, up to you, the companies, to decide about your production sites, the resilience of your supply chains and possible risk reduction strategies. And judging from my exchanges with German and international business leaders and from the topics that you are discussing here at the Asia-Pacific-Conference, diversification is already well underway.

So let me encourage you to pursue that path vigorously.

Diversification makes *your* businesses less vulnerable – and *our* economies more stable and secure.

As a government, we will help you by creating favourable conditions. This also means strengthening our *political* engagement with the Indo-Pacific.

That is the idea behind the German Strategy on the Indo Pacific, which we are closely coordinating with our European partners who share our eagerness to increase our presence in the region and to address threats to the rules-based international order and to our economies jointly.

- Germany shares your interest in the freedom of sea routes and the compliance with international maritime law in the region and beyond. To underline this, we deployed a frigate to the Indo-Pacific for the first time in 20 years. Our air force participated in manoeuvres conducted by Australia this summer, demonstrating our interoperability with partners in the region. Such engagement is without precedent. And the German army will follow up on it next summer.

- We also appreciate that we strive for the same goals when it comes to global climate action and the energy transformation – something I was able to witness myself at COP27 in Sharm el-Sheikh last week.

And I would like to deepen that cooperation through an open and cooperative Climate Club.

Together with our G7 partners, we are also establishing new Just Energy Transition Partnerships, including with countries in the Asia-Pacific region. And as we accelerate our own path towards climate neutrality by 2045, we stand ready to share our experiences with you and to scale-up private investments in climate-friendly technologies.

- Finally, we are seeking to increase our cooperation with ASEAN, also through the European Union. I am sure that the EU-ASEAN Summit and the business summit scheduled to take place in Brussels on 14 December will help us deepen our cooperation.

We are seeking an ambitious agenda for the future, covering areas such as climate protection, the digital transformation of our industries, smart cities and urban mobility.

Ladies and gentlemen,

We have the political will to move things forward.

We have the business pioneers to advance our partnership. Pioneers like Theodor August Behn and Valentin Lorenz Meyer in their day.

When they came here to Singapore, they didn't operate from faraway headquarters in London, Hamburg, Paris or Amsterdam, like most other companies at the time did. They decided to register their business here, in Singapore, 182 years ago.

Behn, Meyer & Co. thus became the first German enterprise on this island. The first of over 2,100 German businesses here today.

So, the third and last takeaway I would like to share with you is this: Good things can start here in Singapore – new ideas for cooperation and business models that

spread around the world. That is the idea behind this Asia-Pacific Conference of German Business. That is what brings us here today.

Thank you all for joining us and thank you for your attention!