

'Some manufacturing numbers coming down'

SINGAPORE — The Republic may be vulnerable to the economic slowdown in the West and the euro zone's sovereign debt crisis, but its strategic location should continue to make it attractive to countries on the expansion path.

"The picture presented by the European economy is not pretty," Minister of State for Trade and Industry Lee Yi Shyan said at the Russia-Singapore Business Forum yesterday.

He said Singaporean exporters will suffer because the European Union is their largest market, followed by China and the United States.

"The immediate crisis will affect us. We are expecting slower growth — in fact some of our manufacturing numbers are coming down," he said.

"We are keeping our fingers crossed for growth prospects for next year."

Mr Lee's comments come after Minister for Trade and Industry Lim Hng Kiang and Deputy Prime Minister Tharman Shanmugaratnam had warned in recent weeks — on separate

occasions — of a possible global slowdown, which could affect Singapore's economy.

Still, Mr Lee yesterday reiterated that Asian economies could benefit from "certain fundamentals" that will drive growth, such as higher savings rates in the public and private sectors, as well as relatively younger populations and growing middle classes that would fuel consumption.

Speaking at the same event, Mr Lim said: "Where Singapore began by seeking to be relevant and useful to the developed countries and our regional neighbours, we have, in recent years, started to expand our ties with the emerging markets of Africa, Latin America, the Middle East, South Asia, Central Asia and Russia."

Singapore's economic relations with Russia have been strengthening over the years, Mr Lim said.

He added that total trade between the two countries reached a record S\$5.2 billion last year. AGENCIES