

**SPEECH BY MRS LIM HWEE HUA  
MINISTER (PRIME MINISTER'S OFFICE),  
SECOND MINISTER FOR FINANCE & TRANSPORT  
AT COMMITTEE OF SUPPLY DEBATE (SEA TRANSPORT),  
7 MARCH 2011, 5.35PM, PARLIAMENT**

---

Mr Chairman Sir,

1 I will now address the cuts raised by Dr Lim Wee Kiak and Mr Teo Siong Seng and I thank them for their interest in the maritime sector.

**Maritime Performance and Outlook**

2 Dr Lim Wee Kiak asked about the competitiveness of the Singapore port. I am pleased to inform Members that our port performed well in 2010. We retained our positions as the world's busiest port by vessel arrival tonnage and the world's top bunkering port, setting records in both vessel arrival tonnage and bunker sales.

3 The growth was felt Asia-wide. Many other Asian ports similarly experienced a robust recovery in container volumes last year. Dr Lim asked about Shanghai overtaking Singapore as the world's busiest container port, a position that we had held since 2005. Sir, this is not surprising given China's strong domestic growth. As China's import and export volumes increase, we can expect Shanghai and the other gateway ports in China to continue to expand in tandem. Shanghai's pole position was not achieved at Singapore's expense. In fact, China's prosperity will continue to be a plus for us as a significant portion of our container volumes comes from or goes to destinations in China. As a major transshipment hub, Singapore is well-placed to capture the growing trade volumes of not just China, but the rest of Asia as well. This is borne out by the 10% rise in our container volumes last year.

4 The port constitutes a major part of our maritime services sector. Hence, we will continue to direct efforts at fostering a vibrant maritime services cluster. Today, there are about 110 major shipping groups and over 5,000 maritime-related companies operating in Singapore, employing more than 170,000 people and contributing about 7.5% of GDP. Industry-led initiatives like the Singapore Ship Sale Form have placed Singapore firmly on the international maritime law map. Indeed, Singapore has become a natural point of confluence for the international maritime community to exchange ideas, gather intelligence and do deals. This congregation has added considerable buzz to Singapore as an International Maritime Centre.

5 Looking ahead, our maritime industry will continue to benefit from Asia's growth but we remain watchful for uncertainties that may threaten the maritime industry. Meanwhile, it is essential that we continue to invest in our port and maritime services sectors.

## **Positioning for Growth**

### Investing in Port Infrastructure

6 To sustain our hub port leadership and to accommodate future growth, we are pressing ahead with the expansion of the Pasir Panjang Terminals. Beyond Pasir Panjang, we will explore if longer-term needs could be met at Tuas. To enhance navigational safety in and around Singapore's waters, we will also launch a new Port Operations Control Centre at Changi.

### Growing Maritime Services

7 To further promote Singapore as the location of choice for ship owners and maritime service providers, we are continually developing new initiatives to meet their needs. I thank Mr Teo for his positive feedback on the recently announced Maritime Sector Incentive and the enhanced GST zero-rating scheme for marine supplies. We will certainly look into his suggestions of how to enhance our schemes further to make sure that they are relevant to the industry.

8 When we discussed the MOF budget yesterday, I responded to Mr Teo's suggestion of an EXIM bank to support the maritime sector. In the meantime, I am assured that both MPA and MAS will continue to promote the growth of our shipping finance companies through the Maritime Finance Incentive, certainty in withholding tax treatment in the recently-launched Maritime Sector Incentive and other finance-related schemes. Today, there are more than 20 banks in Singapore with a shipping finance portfolio. We will continue to attract more of such banks to Singapore to serve the needs of the maritime industry.

### Supporting Green Shipping

9 I agree too with Mr Teo Siong Seng that as a responsible port and member of the international community, Singapore must do its part to protect the marine environment. The Government has supported research and development (R&D) projects on clean energy and fuel cell technology through our S\$100 million Maritime Innovation and Technology Fund. We will continue to explore more ways to promote green shipping, including the possibility of providing incentives to early adopters of green shipping technology.

### Developing Maritime Manpower

10 As the maritime sector grows and diversifies, I agree with Dr Lim that demand for maritime professionals will increase. Besides going to sea, there are actually many exciting shore-based careers in ship-broking, maritime law and banking. We are therefore working closely with companies and tertiary institutions to enhance maritime education and raise awareness of these maritime career opportunities. Last September, we launched the Singapore Maritime Institute to groom maritime talent and to drive maritime R&D. MPA also has a suite of manpower development schemes to encourage investment in human capital.

11 Sir, the Government remains committed to the growth of the maritime sector. We will continue to nurture our close partnership with the industry and the unions to entrench Singapore as a leading International Maritime Centre.

.....

National Archives of Singapore