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**SPEECH BY MR LUI TUCK YEW, MINISTER FOR TRANSPORT
AND SECOND MINISTER FOR FOREIGN AFFAIRS, AT THE
SINGAPORE SHIPPING ASSOCIATION'S 26TH ANNIVERSARY
GALA DINNER AT FAIRMONT BALLROOM, SWISSOTEL THE
STAMFORD, RAFFLES CITY CONVENTION CENTRE ON 29TH
SEPTEMBER 2011**

Mr Patrick Phoon,
President, Singapore Shipping Association,

SSA Council Members,

Distinguished guests,

Ladies and Gentlemen,

Good evening. It is my pleasure to join you at this Gala Dinner
to celebrate the 26th anniversary of the Singapore Shipping

Association (SSA). Today is also "World Maritime Day". It is
therefore a fitting occasion to celebrate the achievements of the SSA
and its contributions to the maritime industry.

2. The past year has been a turbulent period for the shipping industry. The global economy, which recovered strongly in 2010 led by strong growth in Asia, now looks uncertain because of the unfolding debt crises in Europe and the US. We have also seen global supply chains disrupted by natural disasters. Upheavals in the Middle East have increased oil prices and consequently the cost pressures on shipping lines. In addition, the shipping industry has also had to grapple with supply issues that have affected freight rates and earnings.

3. Under the circumstances, Maritime Singapore has performed reasonably well. In the first half of this year, our port's container throughput grew 4%. Vessel arrival tonnage has increased by 11%, while bunker sales have risen by 6%. In tandem with our port's growth, we have also registered an 11% increase in tonnage for the Singapore Registry. We are cautiously optimistic that we can maintain this momentum and end the year on a positive note. Meanwhile, we will continue to focus on growing the breadth and depth of maritime services in Singapore. The presence of so many

nationalities in the room this evening is testament to Singapore's standing as a leading International Maritime Centre.

Working Together to Grow Maritime Singapore

4. A key factor underpinning the growth of our maritime sector is the strong partnership forged between the industry and the Singapore Government. It is this strong partnership that will help us chart a path through the choppy seas ahead. Let me highlight some key areas in which the Government, SSA and the industry can continue to work together to meet the challenges ahead and to sustain the growth of Maritime Singapore.

Enhancing our Hub Port

National Archives of Singapore

5. First, the Government remains committed to enhancing the long-term competitiveness of our Hub Port. We are building ahead of demand and Pasir Panjang Terminal Phases 3 and 4 are on track to provide an additional capacity of about 15 million TEUs. In anticipation of increased vessel traffic, we recently commissioned a leading-edge port operations control centre in Changi to enhance

safety in the Singapore Strait. I am happy that these initiatives have received the strong support of the maritime community.

Supporting Productivity Growth

6. Second, the Government will continue to support the efforts of the maritime industry to enhance productivity by developing human capital and harnessing technology. Since its inception in 2002, MPA's Maritime Cluster Fund (MCF) has supported many maritime companies with their manpower training and capability development. Last year, we launched three manpower development schemes under the MCF - Training@ Maritime Singapore, Talent@ Maritime Singapore and InvestManpower@ Maritime Singapore. The response has been positive. Over 1,500 maritime employees have benefitted from these schemes so far. To further meet the needs of industry, MPA has recently increased its co-funding for approved short courses under the MCF from 30% to 50%.

7. To grow a corps of maritime talent and harness technology, we have recently established the Singapore Maritime Institute as a

leading centre for maritime education and research. I look forward to the Singapore Maritime Institute's inaugural Forum next month which will bring together academic experts and industry practitioners to explore opportunities in maritime research and development.

Safeguarding the Environment

8. Third, the maritime industry's growth will have to co-exist with the need to preserve our marine environment. Earlier this year, we launched the Maritime Singapore Green Initiative to promote environmentally-friendly shipping both at home and abroad. I am heartened by the industry's positive response to the Green Port, Green Ship and Green Technology programmes¹.

9. We also welcome the progress made by the International Maritime Organisation to address the environmental impact of shipping, including the recent adoption of energy efficiency measures. I know that MPA consulted closely with industry to bring

¹ As of 31 Aug 2011, 32 vessel calls had enjoyed 15% concession in port dues under the Green Port Programme for either using approved abatement technology or burning low-sulphur fuel above MARPOL standards. It is a little too early to make any announcement on the take-up rate. It might be better to do so at next year's Maritime Week where the programme would have had a one-year run.

this about and will again work hand-in-hand with you to implement these new measures.

Combating Piracy

10. Fourth, the maritime industry cannot sustain growth without safe maritime trade routes. As a responsible and leading flag state, Singapore has joined the international community to address the piracy threat in our region and beyond. We have worked closely with regional countries and institutions like the ReCAAP Information Sharing Centre to safeguard the Straits of Malacca and Singapore against piracy and armed robbery. In the Gulf of Aden, the Singapore Armed Forces (SAF) completed its second stint of command of the multinational Combined Task Force 151 earlier this year and recently deployed its third task group to support anti-piracy operations there.

Ship owners can also play their part by adopting the Best Management Practices which have been developed by industry and endorsed by the IMO.

Conclusion

11. Ladies and Gentlemen, investing in infrastructure and productivity, as well as safeguarding our environment and combating piracy, are just some examples of how Government and industry have and can continue to work together to grow Maritime Singapore. There are many other areas that I have no time to cover.

12 Over the past 26 years, the SSA has been a played a leading role in forging this close partnership between industry and Government. I am confident that this partnership will continue to stand the test of time and be the foundation upon which we grow Singapore into a world-class International Maritime Centre.

13. On this note, let me once again congratulate the SSA on its 26th anniversary and wish the SSA and its members many more successful years ahead.

14. Thank you and have an enjoyable evening.