

**OPENING ADDRESS BY MS SIM ANN, SENIOR MINISTER OF STATE,
MINISTRY OF TRADE AND INDUSTRY, AT THE
6th ASIA-SINGAPORE INFRASTRUCTURE ROUNDTABLE AT
THE WESTIN SINGAPORE, ON TUESDAY, 18 OCTOBER 2016, 1.35PM**

Distinguished Guests,

Ladies and Gentlemen,

1. Good afternoon. It is my pleasure to join you today at the sixth edition of the Asia-Singapore Infrastructure Roundtable. This is a key platform for infrastructure companies, financial institutions, investors and policy makers to exchange views on meeting Asia's infrastructure needs.

Infrastructure Opportunities in Asia

2. Asia's infrastructure sector has enormous growth potential, backed by rapid urbanisation. Asia's urban population is projected to increase from about 50% today to 64% by 2050, with China and India expected to see a total increase of about 700 million urban dwellers over the period¹. From now till 2030, Asia is estimated to require US\$20 trillion of additional infrastructure investments to meet growing demand². This presents significant opportunities for companies in the regional infrastructure value chain.
3. To tap into these growth opportunities, companies need the right ecosystem and capable partners to bring infrastructure projects from ideas to fruition. Singapore excels on both fronts.

Singapore's Vibrant Ecosystem of Industry Players

4. First, Singapore possesses a vibrant ecosystem of industry players who can offer advisory services in legal, financial, engineering and project execution - all critical to the success of infrastructure projects.
5. As a global financial hub, **Singapore is a choice location for infrastructure developers** to secure project financing. Today, 60% of project finance transactions in Southeast Asia are managed by Singapore-based banks and we are seeing more players joining the fold. For example, in June this year, Nomura set up an infrastructure project office in Singapore to finance small to medium-sized projects in the region³. With institutional investors increasingly interested in infrastructure as an asset class, the industry is also exploring ways to enable participation of these investors and unlock new sources of funds. These efforts would strengthen Singapore's position at the forefront of project financing.

¹ Source: United Nations, "World Urbanisation Prospects", 2014

² Source: McKinsey Global Institute, "Bridging Global Infrastructure Gaps", June 2016.

³ Source: The Business Times, "Nomura moves into financing infrastructure projects in Asia.", June 2016

EMBARGOED UNTIL AFTER DELIVERY
CHECK AGAINST DELIVERY

6. **Singapore has also built a strong network of partnerships with Multilateral Development Banks (MDBs)**, including the Asian Development Bank (ADB), Asian Infrastructure Investment Bank (AIIB), and the World Bank. These are important players in the infrastructure ecosystem as they play a crucial role in originating and catalysing projects. They also help to structure projects to attract international investment.
7. The Singapore government works closely with these MDBs to catalyse infrastructure development in the region. For instance, ADB and IE Singapore set up the Asia Infrastructure Centre of Excellence (AICOE) in 2014. This helps to support a pipeline of bankable Public-Private Partnership (PPP) projects in Asia through collaborations with regional governments on the structuring and financing of infrastructure projects. Last year, the World Bank, with funding support from Singapore and other countries, set up the Global Infrastructure Facility (GIF) to help prepare complex infrastructure PPP projects globally. It also established the Infrastructure and Urban Development Hub in Singapore, bringing together the International Bank for Reconstruction and Development (IBRD), the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA) in a single location outside Washington DC. The co-location of these institutions here significantly strengthens our ability to foster collaborations in regional infrastructure projects.

Singapore Companies Have Strong Capabilities to be Valued Partners

8. Second, through our own developmental experience, our home grown infrastructure developers have accumulated relevant expertise and capabilities and are well positioned to take on complex infrastructure projects.
9. A case in point is our water resource development and management expertise. Part of this success can be attributed to home-grown companies such as Hyflux, Keppel, Sembcorp and United Engineers. Using the PPP model, they have developed desalination plants in Singapore and numerous other countries.
10. Our companies are constantly looking out for new opportunities to grow capabilities and partnerships. For example, Surbana Jurong recently joined forces with Australian firm, SMEC, to expand its engineering expertise in sectors such as urban transport, energy and water. These new competencies complement Surbana Jurong's current strengths in urban planning, township and industrial development, and reinforce the company's position as one of Asia's consultancy powerhouses for urban and infrastructure developments⁴.
11. Our companies are also able to tap on a growing pool of Singapore talent with the relevant skillsets and experience to facilitate projects across the infrastructure value chain. An example of an individual who has developed her expertise in this sector is Ms Ong Mei Ling. Now an assistant manager with Sembcorp Industries, Mei Ling is part of a team responsible for the evaluation of potential investments in the energy sector. Through exposures to various overseas projects, including in Sembcorp's first power project in Chongqing,

⁴ Source: Channel NewsAsia, "Surbana Jurong acquires SMEC Holdings for S\$400m", Aug 2016

EMBARGOED UNTIL AFTER DELIVERY
CHECK AGAINST DELIVERY

Mei Ling has acquired valuable project development skills and experience in structuring deals. Another example is Ms Evelyn Wong. Starting at UES Holdings as a sales engineer, she rose through the ranks to become a Business Development Director at the company. She now leads all tenders and participates in major infrastructure investment projects in Asia.

12. We expect our local pool of infrastructure talent to continue to grow, supported by the suite of talent development initiatives put in place by various government agencies. For example, IE has embarked on initiatives such as the Infrastructure Development Internship (IDI) programme and the Young Talent Programme (YTP) – Infrastructure Development Scholarship to build up a pipeline of home grown talents. IE Singapore has also worked with the National University of Singapore to develop a Master of Science in Project Management, with a specialisation on project finance. Graduates from this programme will add to the talent pool needed to support our infrastructure companies' internationalisation ambitions.
13. We welcome global infrastructure companies to partner Singapore companies and take advantage of our growing local talent pool to tap into regional infrastructure opportunities.

Conclusion

14. In closing, I would like to thank IE Singapore for organising this roundtable, and your participation in this event. I hope this will foster closer collaboration between infrastructure companies, financial institutions and policy makers in the regional infrastructure space. Thank you.

National Archives of Singapore