



SPEECH

**KEYNOTE SPEECH BY MS AMREETA ENG,
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Distinguished Guests,
Ladies and Gentlemen,

Introduction

1. Good morning. I am delighted to join you for this inaugural LME Singapore Gala. It gives me great pleasure to warmly welcome the many industry players from the metals and minerals sector with us this morning, not only from Singapore, but also from China, Hong Kong, the US and Europe.

Singapore as a global trading hub

2. Singapore is Asia's largest trading hub and one of the top global trading centres for commodities (be it energy, agri or metals). Since 2012, our metals and minerals sector has seen a 30% increase in the number of companies, with these companies generating close to US\$140 billion in revenue in 2016.
3. Nonetheless, we are not resting on our laurels. While we are already home to 80% of the world's leading commodities trading companies, IE Singapore continues to attract more companies to Singapore to increase the vibrancy of the trading community.
4. For instance,
 - a. Jiangtong International (Singapore) and its parent company, Jiangxi Copper recently expanded their trading operations in Singapore, with plans to double their headcount over the next few years. The company has chosen Singapore

as its base from which to develop new markets within South East Asia, obtain competitive financing and serve as its platform for holding overseas investments.

- b. Fomento Resources, an iron ore producer from Goa has also decided to locate its global sales and marketing team in Singapore to gain access to market intelligence and be closer to a wide range of buyers.
5. Singapore offers these companies an effective marketplace, consisting of key global trading counterparties as well as all the relevant supporting services needed for risk management, trade optimisation, legal arbitration and the safe and cost efficient delivery of cargo. These activities are interlinked and need to be located together to ensure the swift and efficient processing of trade transactions.
6. Indeed, being in a hub is even more critical in today's over-supplied and uncertain environment, as market participants need to connect with diverse counterparties to understand and respond quickly to changes in market conditions and prices.

Singapore's value proposition

7. There are many attributes required for a "Hub" to succeed and today I would like to focus on just the following: availability of international talent, competitive financing and a robust legal and risk management system.
8. First, availability of talent – important for many sectors, but even more critical in international trading. It is in this area where Singapore thrives. We have invested in our people, with the close support of our trading community, and by collaborating with institutes of higher learning to produce graduates willing and able to take up roles in the trading community. At the same time, we continue to adopt a policy of openness to attract top global talent to our shores. The commodity trading sector in Singapore today employs over 15,000 professionals and has grown at an average rate of 7 percent per year over the past decade. Very few hubs in the world can compete with the quality and competitiveness of our work force.
9. Second, a hub like Singapore needs to provide strong financial liquidity to the marketplace. As a triple A rated financial centre, Singapore is today the third largest global foreign exchange centre. Our availability and liquidity for major currencies, especially for the US dollar and main Asian currencies is strongest in Asia. Many

regional and global players from the metals and minerals fraternity tap on the competitive financing offered by the 200 banks present here for their trading needs.

10. Third, we have to ensure that international trading companies have the risk management tools for their needs. With this in mind, IE Singapore will continue our focus on building the commodity derivatives space, to complement our physical trading ecosystem. Commodity exchanges such as the LME serve a very important role in establishing benchmark prices for metals. Their contracts allow participants along the metal value chain to hedge against adverse price movements, and allow the investment community to participate in the metals markets.
11. We are heartened by the growth of the LME in Singapore. Its office has doubled in size over the last 2 years, reflecting its continued commitment to the high-growth economies in the region. IE Singapore will continue to work closely with the LME and others to support the creation of new derivatives and to deepen the liquidity of these products, for the benefit of our trading community.
12. Finally, our robust legal system gives confidence and expedient recourse to all parties that choose to base their contracts on Singapore law. According to a survey by the Singapore Academy of Law conducted in 2015, Singapore law is already the second most popular governing law for cross-border contracts in Asia. Our courts have a strong international outlook and constantly take into account not only the latest global but also regional commercial practices in their decisions. Singapore also offers effective avenues for alternative dispute resolution. We are today one of the world's top jurisdictions for contracting, mediation and arbitration.

The next chapter of trading

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13. When all is said and done, success today does not guarantee success in the future, particularly in the face of disruptions brought about by digitalisation, block-chain and big data. Recently, IE Singapore did a poll of top commodities traders, seeking their views on these trends. More than 60% of respondents felt data analytics holds the greatest potential to transform commodity trading. On the other hand, challenges of corporate culture and business integration were considered stumbling blocks to championing innovation.
14. We observe that many commodity traders have been experimenting with, and implementing company specific initiatives around big data, traceability and block-chain.

15. I am also delighted to share that we are seeing many innovative platforms being incubated or launched in Singapore.

- a. For example, Lykke is a decentralised exchange for the listing and trading of tokens. The exchange will provide a venue to trade traditional asset classes such as securities, futures and commodities, through tokenization and cryptocurrencies.
- b. Aquifer Institute is launching a platform empowered by Smart Contracts and digital tokens with the aim of offering lower cost of financing, lower cost of enforcement, faster turns of capital, and lower risk of fraud.

16. For all the other forward-looking innovators out there, Singapore can be your home to create, develop and launch new ideas which will uncover new value for your business, and the industry.

17. I encourage you to approach us with your ideas, and collaborate with our institutions of higher learning, start-up environments, and centres of excellence, as you leverage these disruptive technologies.

18. In closing, I would like to reiterate Singapore's commitment to ensuring that companies have the right environment to succeed. IE Singapore, as the lead agency for international trade, stands ready to partner you as you build your businesses in Singapore.

19. Thank you and I wish you all a pleasant day ahead.

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About International Enterprise (IE) Singapore

IE Singapore is the government agency that promotes international trade and partners Singapore companies to go global.

We attract and anchor global trading companies in Singapore by promoting our unique advantages as a global trading hub. Today, Singapore is home to a complete ecosystem for the energy, agri-commodities and metals & minerals trading clusters.

Through our network of over 35 overseas centres and comprehensive assistance programmes, we partner Singapore companies to strengthen their global competitiveness.

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