



## SPEECH

**SPEECH BY MR LEE ARK BOON, CHIEF EXECUTIVE OFFICER,  
INTERNATIONAL ENTERPRISE SINGAPORE,  
AT THE 33<sup>RD</sup> ANNUAL ASIA PACIFIC PETROLEUM CONFERENCE  
ON MONDAY, 25 SEPTEMBER 2017, 1455 HRS,  
RAFFLES CITY CONVENTION CENTRE, SINGAPORE**

Distinguished Guests,  
Ladies and Gentlemen,  
Good afternoon.

1. I am delighted to be here today at the Asia Pacific Petroleum Conference (APPEC) 2017. The theme of this year's conference is "*Where global markets meet*".
2. And indeed, over the next two days, APPEC will bring together some 400 delegates from some 50 countries. To all our guests, from our Asian neighbours, the U.S., Europe, Middle East, as well as friends who have come from as far as Africa and Latin America, a very warm welcome to Singapore.
3. International Enterprise (IE) Singapore is the government agency promoting international trade and partnering Singapore companies in their global expansion. In addition to promoting export of goods and services, and overseas investments, IE Singapore also attracts global commodities traders to establish their global or Asian home base in Singapore.
4. Today, we are a thriving trading hub with a complete ecosystem for the energy, agri-commodities and metals & minerals sectors.

National Archives of Singapore

## **Evolving market landscape**

5. Global oil markets have been volatile in the past few years. We have seen the rise of the U.S. as a non-OPEC swing producer, plunge in oil prices, production cuts by OPEC, and steady growth of Asia as an oil consuming region.
6. The market remains highly dynamic and the global energy mix is also evolving. More changes are yet to come, with the drive towards lower carbon and cleaner fuels. For example, the International Maritime Organisation's global sulphur cap of 0.5% on marine fuels from 1 January 2020.
7. The growth in electric vehicles, on the other hand, would put pressure on the oil barrel over time. The International Energy Agency (IEA) reported in its *Global EV Outlook 2017* that by 2025, there could be as many as 70 million electric vehicles globally, up from some 2 million, today. This has not even fully taken into account the possibility of China banning the sale of fossil-fuelled vehicles by 2030. China alone is responsible for the sale of 30 million vehicles per year.

## **Companies are using Singapore as a base to develop new areas of growth**

8. Every challenge presents opportunities. In response to these trends, companies in Singapore are taking steps to better prepare themselves for the future.
9. For example, as renewables become increasingly important, *Shell* has established a New Energies team in Singapore. Last month, it also invested into local firm *Sunseap*, with the intent to collaborate on solar projects in Asia Pacific.
10. Similarly, with the global push towards cleaner fuels, many traders in Singapore have expanded the scope of their businesses to include LNG. While the sector was nascent 10 years ago, today we have more than 45 companies with an LNG trading or business development presence here.
11. Digitalisation is another new area that companies are looking into. One way digital solutions can facilitate trading is by improving efficiency and transparency. At the national level, the Singapore Government is building the National Trade Platform, a one-stop trade portal for Business-to-Government (B2G) and Business-to-Business (B2B) Services.

National Archives of Singapore

12. Companies are also developing online platforms to connect the marketplace. For example, *Brightoil Petroleum* has recently launched an e-marine platform connecting global suppliers, charterers, and ship owners, allowing them to supply and procure marine bunkers electronically.
13. We are heartened by these developments, and will continue to ensure that Singapore's business ecosystem supports companies as they develop new areas of growth in Singapore, and the region.

#### **IE will continue to develop financing and talent for the commodity trading sector**

14. The commodity trading sector is a key economic sector for Singapore. I'll like to assure you that Singapore is committed to developing this sector. IE will continue to enhance Singapore's business environment for trading, particularly in trade finance, and talent.
15. In addition to our extensive network of over 200 banks, which continue to be the traditional lenders, we hope to broaden our trade financing options by attracting alternative financiers, such as trade finance funds to establish a presence here.
16. These funds are common sources of lending in the notable trade hubs in Europe. We have several of them here in Singapore, such as *Eurofin Asia*, *Alcora Capital*, *Falcon Group* and *NR Capital*.
17. All of them complement traditional bank lending by extending credit for transactions some with complex financing structures, or in markets as far as Africa. As international trade volumes grow in Singapore, it is imperative that traders have access to various financing options and structures to support their activities.
18. Ultimately, commodity trading is about people, talent, and know-how. IE Singapore has worked with industry partners, and institutes of higher learning to provide students with relevant exposure, and a practical understanding of the business of international trading.
19. 10 years on, the International Trading Institute (ITI) at the Singapore Management University has 400 students graduating with a trading and finance or business focus. 80% of these graduates have joined the commodity trading sector.

20. The International Trading Programme (ITP) at the Nanyang Technological University combines commodity trading with business, engineering, or maritime studies, and will see its first batch of graduates next year. In keeping with the times, these courses will also cover how digitalisation is changing the business of commodity trading.

**Supported by our strong ecosystem, our participant network continues to grow.**

21. IE Singapore's efforts to develop Singapore into an energy trading hub started more than 30 years ago, and the journey continues today.
22. There are about 130 large international companies involved in the energy trading space in Singapore. We see established companies continue to deepen their presence in Singapore, and new companies coming to join the fraternity.
- a. For instance, *Idemitsu International Asia*, which has been growing in Singapore for the past 40 years, recently established an aromatics desk here to manage new trade flows from its refinery in Vietnam.
  - b. At the same time, we welcome new partners such as *Hongrun International*, and the *Indian Oil Corporation* who have just recently established their presences here.

**Partnering Singapore**

23. IE Singapore will persevere in our efforts to develop Singapore as an energy trading hub. But, this is something we can only accomplish together with you. Therefore, we welcome all feedback and suggestions on how we can make it even better to grow and do business here. Please feel free to approach me, or any of my colleagues.
24. On this note, I wish you a fruitful conference, and week ahead. Thank you.

Get story leads from IE Singapore's Twitter ([@IESingapore](#)) and Facebook ([IESingapore](#)) accounts.

---End---

**Note to Editor**

Please use 'IE Singapore' or 'IE' if an acronym for 'International Enterprise Singapore' is required. In addition, unless otherwise stated, the use of statistics cited in our media releases, website or Statlink, should be attributed to IE Singapore.

For media enquiries and/or event photos, please contact:

Ms Corinne Fu  
Senior Manager, Media  
Corporate Communications Group  
DID : +65 6433 4769  
Email : [corinne\\_fu@iesingapore.gov.sg](mailto:corinne_fu@iesingapore.gov.sg)

---

**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.

IE Singapore will merge with SPRING Singapore to form Enterprise Singapore in Q2 2018. Enterprise Singapore will enable the growth of Singapore companies through an integrated support network to build business capabilities and access overseas markets.

Visit [www.iesingapore.gov.sg](http://www.iesingapore.gov.sg) for more information.

National Archives of Singapore