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**SPEECH BY CO-ORDINATING MINISTER FOR
INFRASTRUCTURE AND MINISTER FOR TRANSPORT,
MR KHAW BOON WAN AT PSA'S COMMEMORATIVE EVENT
FOR TANJONG PAGAR TERMINAL ON
30 OCTOBER 2017, 1500 HOURS AT TANJONG PAGAR
TERMINAL**

Mr Fock Siew Wah, Group Chairman of PSA International

Ladies and Gentlemen,

1. We are here to mark a special place, the Tanjong Pagar Terminal, Singapore's very first container terminal.

2. The event is to commemorate Tanjong Pagar Terminal and the 45 years that we have spent here. For the photo archive, PSA formed the Singapore Lion Head using 359 shipping containers at Tanjong Pagar Terminal, over 15 hours of work. I commend PSA staff on your creativity.

3. The event is also to highlight the shift of Tanjong Pagar Terminal's core port operations to the Pasir Panjang Terminal. The familiar sight of giant cranes and rows of containers is no longer here at Tanjong Pagar. Instead, PSA is now using it to handle ancillary services such as car transshipment. It is an end of an era.

From Colonial Entrepot to Bustling Global Hub Port

4. Nevertheless, Tanjong Pagar Terminal will always hold a special place in our hearts as Singapore's very first container terminal.

5. Mr Lee Kuan Yew had once said that "Singapore's raison d'être was its port", meaning that Singapore's very reason for being is its port. Indeed, Singapore has been an entrepot since the time of Stamford Raffles. Back then, the port of Singapore was synonymous with Boat Quay. It was a place where coolies manually loaded and

unloaded heavy sacks of rice, coffee, spices and bales of rubber from the bumboats along the Singapore River.

6. After independence in 1965, one of the major decisions our founding leaders had to make was whether to build a container port. At that time, Japan was the only other Asian country with a container terminal. Containerisation was still a new tentative idea. In 1966, Mr Lee and his Cabinet took a bold decision to build a container port. Six years later, in 1972, Singapore's first container terminal was commissioned, right here at Tanjong Pagar. Over there, Singapore received our very first container ship, MV Nihon, calling from Rotterdam.

7. It turned out to be the right decision. It led eventually to the transformation of the port from being labour-intensive to being technology and knowledge-based. The resourcefulness of PSA workers was a crucial element of success. For example, when our first MRT trains came from Japan in 1986, they could not fit into containers. They were considered out-of-gauge cargo and required specialised handling. It was a new experience for PSA workers but they rose to the challenge. The trains were mounted on flat racks and were safely lifted off the ship using cranes.

8. As Singapore's economy thrived, we expanded our port in tandem, from Tanjong Pagar first to Keppel and then also to Brani. Last year, we handled 31 (30.9) million TEUs – compared to a mere 25,000 TEUs in 1972. We were able to do so because we never stopped looking ahead, planning in advance, and investing in our port. Even as we moved into Pasir Panjang Phases 3 and 4 recently, we have already started the reclamation works and the planning for Tuas Port.

9. Why do we do that? It is because the port is an important point of entry into Singapore. Through the port, we bring in the things we need conveniently and at low cost. The port is also an important connection to the world. Because we are the world's biggest transshipment hub, our port has superior connectivity to other ports, and many shipping lines make frequent stops at Singapore. That means businesses in Singapore can get their goods into and out of Singapore quickly and at competitive cost.

10. In addition, the port and the maritime sectors play a significant role in Singapore's economy, contributing 7% of our GDP and employing more than 170,000 people.

People as the Most Valuable Asset

11. All these would not have been possible without the foresight and courage of our founding leaders. Had it not been for Mr Lee Kuan Yew and PSA's first chairman, the late Mr Howe Yoon Chong, we would not have built our first container terminal and be amongst the first movers.

12. Likewise, without the thousands of pioneers who have worked tirelessly, keeping our port running 24/7, continuing to make the port more efficient, we would not have grown to become one of the world's busiest ports. It was their persistence and hard work that laid the foundation for our success today.

13. Many of the pioneers are here with us today. Mr Sreevardhana or Sree, has been with PSA for 45 years. He joined as a Clerical Assistant and rose through the ranks in various departments. He spent seven years in Tuticorin, India to set up PSA's container terminal there, and run it to PSA-standard. Sree is now back in Singapore. As an Assistant Manager, he ensures containers are maintained to customers' satisfaction.

14. Mr Joseph Wang joined PSA 40 years ago and supported operations at this very terminal. As the President of the Singapore Port Workers' Union now, he works hard for the workers, and in particular, helps those from Tanjong Pagar Terminal transit into their roles at the Automated Crane Operations Centre at Pasir Panjang Terminal.

15. There are many others like Sree and Joseph. I thank all of you for making Singapore port one of the best in the world.

Staying Relevant and Competitive Going Forward

16. We are mindful that there are many others who aspire to take our position. We are acutely aware of this reality. There was a time, not too long ago, when we lost Maersk's and Evergreen's business to Tanjung Pelepas, and PSA lost the Lloyd's Maritime Asia Award's Best Container Terminal. Then PSA made difficult changes with the support of the unions, restructured the company, and soon regained its footing and Lloyd's Best Container Terminal Operator Award in 2003. Just like how we have transformed ourselves to get ahead of

the competition in the past, we have to transform our port to stay ahead of the competition.

17. We have to keep raising our game particularly in harnessing technology to enhance productivity. PSA is testing electric automated guided vehicles, and automated wharf and yard operations at the Pasir Panjang Terminal. The new port at Tuas offers an unprecedented opportunity to implement more leading-edge technologies.

18. Commercially, PSA must remain relevant to your customers. They are facing tough competition; they are confronting the challenges brought about by digitalisation. They are at risk of being disrupted by new players. Have your ears close to them, respond to their fast-changing needs, and work with them as your partners.

Industry Transformation Map to Help Upgrade Workers

19. As the port transforms, so will the jobs. Some jobs will change to incorporate the use of predictive analytics and artificial intelligence. New jobs will come about to accommodate the use of smart data and intelligent systems.

20. The Sea Transport Industry Transformation Map is being developed in consultation with various stakeholders. MPA will partner PSA, the industry and the unions to help upgrade skills and prepare you for the transformation. Such adjustments are not easy. But like many of your seniors before you, you will adapt and grow as you take on new and more rewarding jobs.

Conclusion National Archives of Singapore

21. In closing, I thank all of you once again for making the Singapore Port what it is today. The Tanjong Pagar Terminal is not just our first container terminal. It is a beacon to remind us that when we set our minds to it, we can be among the best in the world.

22. Thank you.

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