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Subject: (Embargoed) Speech by Mr Chan Soo Sen, 27 Aug, 7.30 pm

Singapore Government

PRESS RELEASE

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SPEECH BY MR CHAN SOO SEN, PARLIAMENTARY  
SECRETARY (PRIME MINISTER'S OFFICE & MINISTRY  
OF HEALTH, AT THE SINGAPORE ASSOCIATION OF  
PHARMACEUTICAL INDUSTRIES' 33RD ANNUAL  
DINNER & DANCE ON FRIDAY, 27 AUG 99 AT 7.30 PM  
AT WESTIN HOTEL, 4th FLOOR (STAMFORD BALLROOM)

Mr Tan Chwee Choon  
President of the Singapore Association  
of Pharmaceutical Industries

Distinguished Guests

Ladies & Gentlemen

I am very happy to join you this evening on your Association's 33rd Annual Dinner and Dance. After two years of turbulence and slow economic growth, things are beginning to look better. Situation is getting calmer around Asia. There is a greater sense of confidence. Singapore can look forward to stronger economic growth. Our regional neighbours can also expect brighter prospects. With the more pleasant environment, I would like to wish you and our pharmaceutical industry greater business success in the coming years.

2 The pharmaceutical industry is one of the sectors we in Singapore would like to do well in our knowledge-based economy. The pharmaceutical industry is a key arm of the Life Sciences, and has high knowledge, technology and value-added content. Hence, pharmaceutical industry can continue to count on strong support from the government. In Singapore, we mean what we say and say what we mean. You can also continue to count on our skilled manpower, excellent infrastructure, Intellectual Property Rights protection, good incentives and a pro-business environment. Singapore is a good and secure place to manufacture and develop proprietary ingredients.

3 Singapore also has good potential in R&D, in areas such as drug development and disease management. Companies undertaking R&D here can collaborate with research institutes as well as universities which are actively undertaking pharmaceutical, biotechnology and healthcare R&D activities. This includes the Institute of Molecular and Cell Biology (IMCB) which is actively involved in biotechnological and drug discovery. There are also the Bioprocessing Technology Centre and the Engineering and Bioinformatics Centre. The clinical trials infrastructure had been rapidly built up in the last 1 - 2 years. Singapore hosts the Good Clinical Practice (GCP) Coordinating Centre for APEC. The NUS Drug Centre coordinates early phase clinical trials in the university hospital.

4 The strengths of pharmaceutical MNCs and Singapore's environment complement each other. Together we can achieve synergy: The pharmaceutical industry will grow in Singapore, and Singapore will benefit from a strong pharmaceutical industry.

5 These are all very nice. However, we need to face the reality that Singapore has a small population. So our domestic market is small. We should aim for the 3 billion people in Asia, rather than be contented with the 3 million in Singapore. As Asia gets over the economic crisis, growing affluence and rising living standards

throughout the Asia-Pacific region will fuel strong demand for healthcare products and services. The demand for drugs to treat the variety of diseases ranging from infectious diseases such as hepatitis B, tuberculosis and malaria to chronic diseases such as diabetes, cancer and coronary heart disease, will be high and increasing. Some of the diseases are more prevalent in this region, and we have the capabilities to research and develop new drugs for these conditions.

6 Even before the regional financial crisis, the pharmaceutical industry has already noted the numerous opportunities offered by this booming market. As the prospect of economic growth returns, I feel it is now time for you to strengthen your presence in Asia. Do tap the vast potential of the region, and use Singapore as your regional base for pharmaceutical research, product development and discovery, and for manufacturing of bulk active ingredients. You will benefit tremendously from Singapore's networking with the region, and the strength of our knowledge economy.

7 Singapore has already taken steps to have in-place a robust and enterprising environment for the industry. Under the National Science and Technology Plan, \$4 billion have been allocated for 1997 - 2001 to realise Singapore's vision of building a world-class Life Sciences hub. Companies carrying out R&D work here are assured of strong intellectual property protection. We rank fifth in the world in the policing of intellectual property and highest in Asia according to the World Competitiveness Yearbook 1998. In the pharmaceutical field, we have revised our legislation on patents to confirm to WTO expectations. Singapore is a signatory to the major intellectual property treaties.

8 In addition, Singapore has also taken steps to encourage venture capital investment and risk taking. The Economic Development Board has set up 3 investment funds to co-invest and share risks with investors in such ventures. Singapore Bio-Innovations, PharmaBioGrowth Fund, and the Life Sciences Investments, take equity risk in life sciences projects across the various stages of development. Their involvement can range from seeding a new company to commercialising technology to supporting strategic manufacturing projects. A wide range of attractive tax incentives are also implemented for strategic biotechnological manufacturing and services.

9 In the area of human resource development, EDB administers schemes like the Initiatives in New Technologies (INTECH) and the Training Attachment Programme (TAP) to assist companies to train the workers in leading-edge technology. Singapore also allows companies to recruit foreign talent in specialised fields to augment the local manpower pool.

10 We plan to build on a solid foundation that we already have. Over the years, sizeable investments have been made by pharmaceutical industries in Singapore. GlaxoWellcome's total investment to date is in excess of US\$400 million and Rhone Poulenc Rorer's investment to date is in excess of US\$100 million. Recent investments include Merck Sharpe and Dohme's US\$300 million manufacturing plant, Wyeth-Ayerst's US\$300 million manufacturing plants producing Premarin and infant nutritional products and Schering Plough's US\$260 million bulk pharmaceutical chemical facility. Many others have set up regional headquarters in Singapore.

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11 We are confident more of you can and will enjoy your presence in Singapore. Your large and high quality investment will benefit from our consistently pro-business operating and policy environment. Together we can be a base to supply pharmaceutical products to the region. Singapore is committed to achieving win-win with the investors. I hope we will be together as Singapore becomes the regional pharmaceutical hub.

12 On this note, I wish you all the best. Please enjoy your dinner, and dance the night away. May the next year be better.

Thank you.

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