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Singapore Government

PRESS RELEASE

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SPEECH BY DEPUTY PRIME MINISTER LEE HSIEN LOONG AT THE OFFICIAL OPENING OF JURONG ISLAND ROAD LINK ON THURSDAY, 10 FEBRUARY 2000 AT 10.00 AM

1. I am very happy to be here today for the official opening of the Jurong Island Road Link.

2. The name, Jurong, has become synonymous with national entrepreneurship. Until recently, Jurong was associated with our bold move, starting in the 1960s, to industrialise the economy. We transformed the swamps of Jurong into industrial land and the Jurong Industrial Estate that we know of today.

3. Today, Jurong Island has also become a symbol of national enterprise. Here, we conceived and built an integrated petrochemical industry complex out of coral reefs and a scattering of small islands. Without any oil or natural gas of our own, we have brought together on the island a collection of upstream and downstream petrochemical plants that supply one another, create synergies for each other, and make viable the whole complex ecology of different operations and products, where a single plant could not survive.

4. The infrastructure that we put in place on the island has helped bring this about. The common pipeline service corridor links companies on the island to one another, supplying vital feedstock, products and utilities from one plant to another. The service corridor also allows us to manage and transport utilities such as steam and cooling water centrally, to meet the needs of chemical companies on the island. Companies can sell their products over-the-fence, and save substantial costs in transporting feedstock. They can thus save on their initial capital outlay, reduce operating costs, enjoy economies of scale, and concentrate on their core businesses.

5. But the key to Jurong Island's success was not infrastructure per se. It was entrepreneurship, conceiving the project, translating the vision into reality, and taking the risks involved in such an ambitious venture. This is what has made Jurong Island a thriving chemical island with a cluster of 55 companies and some \$21 billion worth of investments in fixed assets. The output for the whole industry was a record \$30 billion for 1999, contributing over 22% to Singapore's total manufacturing output.

6. But the world does not stand still. Our approach to create the industry complex has borne fruit, and given us a precious lead. But many regional countries are also developing their own petrochemical industries, lured by the large and growing market in Asia for petro-chemical products. We own no patent on our strategy. Others will emulate what we have done, and learn from our mistakes. So we must continue to build on what we have done, and strive to climb higher still.

7. JTC plans to develop a major chemical logistics hub on Jurong Island, to provide integrated logistics support to the rapidly growing number of chemical companies on the island. Jurong Island will be an island only in the physical sense. Operationally, the chemical logistics hub will plug Jurong Island into the global grid.

8. We have earmarked 80 hectares of land on Jurong Island for this logistics hub. The hub will have its own berths, jetties and other marine facilities, and be linked to the chemical plants through common service corridors. It will handle bulk liquid and solid chemicals, including hazardous chemicals. It will also provide logistics services such as storage tanks, chemical warehouses, tank filling, cleaning and maintenance, drumming and waste treatment facilities. An integrated logistics electronic commerce network will also be implemented this

year to complement the island's physical road link and logistics hub. All this will enhance the competitiveness of Jurong Island companies.

9. Besides serving the needs of plants on the island, the hub will also be used by companies without a manufacturing base here to do transshipment, bulk breaking and distribution to and from the region and the world. Last year, some \$5 billion worth of chemicals passed through our ports and terminals for re-export. The Jurong Island Chemical Logistics Hub will further buttress our position as a premier chemicals transshipment centre.

10. Full credit must go to EDB for the success of Jurong Island. Together with JTC and the many government agencies involved in the project, they have taken the lead in conceiving and promoting Jurong Island, and continually planning ahead to take it on to the next stage of success. We must continue to do so, daring to think boldly and creatively, building on our achievements, and translating ideas into reality.

11. This Road Link is a natural upgrading of the facilities of Jurong Island. It links the island to mainland Singapore. 4 of its 8 lanes were opened to construction and goods traffic in March last year. Today marks the full completion and opening of the road link to all vehicular traffic. For companies on the island, it means being able to move goods and people much easier, faster and cheaper, thus raising productivity for all.

12. However, I have one regret over this Road Link: it comes at least 3 years too late. I remember when first MTI and JTC conceived the idea of building Jurong Island in the late 1980s, I was in MTI. We discussed the possibility of building such a road link early in the project. It was an attractive idea. The advantages were obvious. I was keen, and so were my officials. But the projections showed that the traffic would be too light to justify the investment for some years. So we settled for a ferry service instead, and postponed the road link to a later phase of the project.

13. In retrospect, this was a mistake. We under-estimated the success of Jurong Island. EDB and JTC did such a good job selling the island to investors, sometimes even before the land had been reclaimed from the sea, that the road link was needed much earlier than expected. Had we been bolder and built it sooner, we would have saved the companies and workers on Jurong Island much commuting time, transportation and construction costs, and inconvenience. We would also probably have accelerated the development of

Jurong Island.

14. While this is a happy problem, it is nonetheless a missed opportunity. But all this is water under the bridge. For the future, the lesson is that while it is good to be circumspect, we should not allow excessive caution to dampen our confidence or diminish our aspirations.

15. I am confident that EDB, JTC and Singapore will continue to dream bold dreams and press on to make Singapore a world-class chemical hub.

16. I am happy to declare the Jurong Island Road-link open.

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