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Subject: (EMBARGOED) Opening address by Mr Lim Swee Say, 14 Feb 2000, 8.30am

Singapore Government

PRESS RELEASE

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**OPENING ADDRESS BY MR LIM SWEE SAY, MINISTER OF STATE,
TRADE AND INDUSTRY, COMMUNICATIONS AND INFORMATION
TECHNOLOGY AT THE FIFTH ANNUAL ASIA-PACIFIC CHEMICAL
INDUSTRY MEETING AT 8.30 AM ON MONDAY, 14 FEBRUARY 2000
AT SHANGRI-LA HOTEL**

Mr Michael Silber, President and Chief Operating Officer,
Chemical Week

Ladies and Gentlemen

1. It gives me great pleasure this morning to welcome all of you to the fifth Asia-Pacific Chemical Industry Meeting. This year, we are meeting in a more upbeat mood. Asian economies are making good recoveries. In the case of Singapore, our economy rebounded strongly to record a growth of 5.6% in 1999, with manufacturing leading the way with a growth rate of 13.8%. The

output of the chemical and life sciences cluster grew by 16.3% last year to almost S\$30 billion.

2. The growth of the chemical cluster was fuelled largely by the strong growth of 15.1% in the petrochemical industry. 11 new petrochemical plants went into production last year on Jurong Island. Jurong Island is the centrepiece of Singapore's efforts to build a world-class chemical hub. It is an amalgamation of 7 islands. By the end of 2001, we expect to triple the land size of Jurong Island from about 1000 hectares to 2,650 hectares. It is linked to the Singapore main island by a 8-lane causeway to facilitate easy movement of personnel, goods and services, resulting in higher productivity for companies operating on Jurong Island.

3. To further enhance the attractiveness of Jurong Island, we are putting in place a comprehensive range of common facilities and services so that chemical companies can outsource non-core activities to facilitate quick start up while enjoying economies of scale, higher productivity and better quality of service. Take logistics management for example, we are setting up an 80-hectare chemical logistics hub on Jurong Island so that chemical companies can tap on the expertise of these worldclass logistics companies to handle all their logistics requirements, and remain focussed on their core chemical businesses. This logistics hub will also enhance Singapore's position as a chemicals transshipment centre. We believe that as more chemical products are distributed via Singapore, manufacturers here will benefit from better availability of raw materials.

4. To enhance Jurong Island as a leading hub for the chemical industry in the age of e-Commerce, we are building an information technology network on the island. It will connect all companies on the island, enabling them to access common services such as logistics, maintenance and repair. It will also provide a common platform for discussions and sharing of ideas relating to safety, health and environment issues and practices. This IT platform will be launched this year. We hope to evolve it into an online electronic marketplace, for companies to offer their products and services in the cyberspace. Access to the IT platform will be through the Jurong Island Internet Portal which was launched by the Jurong Town Corporation three months ago in November last year.

5. The development of an integrated IT platform for Jurong Island is part of our overall efforts to transform Singapore into a dynamic and vibrant

Knowledge Based Economy with a thriving and prosperous Net Economy by the year 2010. We have a highly IT literate population in Singapore, with 59% of households owning home PCs and 49% of households accessing the Internet today. We have one of the most advanced National Information Infrastructure in the world, providing broadband access to every home. We are capitalising on our headstart and good foundation in Info-communication technology, to reposition every major sector of our economy by embracing the Internet revolution.

6. The Internet revolution will shape future development in the global chemical industry. As we continue to grow the chemical cluster in Singapore, we are stepping up our efforts in working with the industry to adapt to this new way of doing business. We will continue to strengthen our National Information Infrastructure to keep in pace with the trends towards Broadband Internet, Wireless Internet and Internet Appliance. On the part of the industry, companies will have to be proactive in exploiting the full potential of the IT and Internet, so as to integrate better with their suppliers and customers, reduce costs, and increase revenue. The benefit of embracing e-business is far-reaching. Working together in partnership, we can come up top in this digital revolution.

7. In this meeting, there are a number of sessions addressing the issue of e-commerce and e-business in the chemical industry. I am sure this meeting will serve as a good platform for you to exchange ideas on how IT and e-commerce can be leveraged to enhance your business, and the competitiveness of the chemical cluster in Singapore.

8. I wish all of you a fruitful conference and a pleasant stay in Singapore.

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