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Subject: Speech by Mr Lim Swee Say, 2 May 2000, 11am

Singapore Government

MEDIA RELEASE

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**SPEECH BY MR LIM SWEE SAY, MINISTER OF STATE FOR TRADE
& INDUSTRY AND COMMUNICATIONS & INFORMATION
TECHNOLOGY AT THE MARINE GROUP LIUP EVENT ON 2 MAY
2000, 11.00AM, WTC AUDITORIUM, 11th FLOOR, WORLD TRADE
CENTRE BUILDING**

National Archives of Singapore

Mr Wong Peng Kin
Chairman, Marine Group LIUP Steering Committee,

Mr Heng Chiang Gnee
President of the Association of Singapore Marine Industries,

Distinguished Guests, Ladies and Gentlemen,

1. 4 years ago, I was at the inauguration ceremony of the Marine Group

Local Industries Upgrading Programme with the first 5 partner shipyards. I am happy to be back today to officiate at this Marine Group LIUP Event.

2. Our marine industry is here to stay. Far from being a “sunset industry”, we have become one of the world’s leading centres for complex and technically challenging ship repair, conversion and offshore engineering work.

The marine industry not only forms the nucleus of our capabilities in heavy engineering, it also plays a major role in complementing Singapore’s position as a fully integrated maritime hub.

With the advent of more advanced ships, increasing demand globally for higher ship safety standards, and the thrust towards deep-water offshore oil exploration, we can expect to see growth in high value-added ship repair, conversion and offshore engineering sectors in the years ahead.

3. The Marine Group LIUP has played a key role in enhancing productivity in the marine industry. Started with five member shipyards, the group now comprises 7 major Singapore shipyards. These shipyards and their subcontractors account for 70% of the output of the marine industry.

By harnessing the collective strengths and resources of its member shipyards, the group has been successful in formulating and implementing various industry wide programmes relating to the:

- training and skills certification of the workforce,
- innovation, mechanization and re-engineering of work processes,
- adoption of new technologies and
- development of industry wide infrastructure projects.

I am told that more than 70% of the shipyard and subcontractor workforce is now trained to CoC level and above. I commend you for your excellent efforts and achievements in the past four years.

4. Today’s launching of the Marine Resource Information System II, or MARIS II, is another major step forward for the marine industry.

It is a pioneering concept, and an industry wide IT infrastructure that will enhance the competitiveness of the industry significantly. It is a real time web-

based system developed locally to facilitate the cross deployment of skilled workers between shipyards.

With this system in place, shipyards will be able to optimize the deployment of skilled workers in a highly cyclical environment, and increase the utilization of subcontractor's skilled workforce, totaling about 14,000 workers, by up to 15%.

5. I also commend the industry for the launching of the National Marine Initiative. It will encourage the four participating institutes of higher learning to undertake more R&D work relating to the marine industry. This will complement the efforts of the industry, and help create new knowledge, value and competitive advantages for the industry.

6. The Group is also looking at other major initiatives in sustaining the competitiveness of the marine industry. The emergence of lower cost ship repair locations in the region and elsewhere will pose stiffer competition to the industry here in Singapore.

We will have to continue to take decisive steps in embracing new business models and new technologies. Our shipyards and subcontractors need to continue reinventing themselves to create a leaner marine industry. This will strengthen our position as a leading hub for high value-added ship repair and conversion, and a centre of excellence for complex offshore floating platforms.

7. We will have to be relentless in our efforts, given the competition and resource constraints we face. In this regard, the Group intends to pursue further upgrading of the workforce through "multi-skilling". This will certainly lead to further optimisation in manpower utilization.

8. I am pleased that one of the Group's strategic intent is to develop new IT applications for shipyard operations. These include projects on intelligent safety management systems, e-tendering, e-project management and an on-line IT infrastructure to optimize the use of shipyard equipment.

These initiatives will help reinvent work processes, and contribute to continuous upgrading of the industry for sustainable competitiveness.

9. In conclusion, I would like to commend the Marine Group LIUP for your excellent efforts and achievements so far.

I congratulate you on the launch of MARIS II and the National Marine Initiative. I wish you all the best as you spearhead industry-wide collaboration, and lead the marine industry to greater heights in the 21st century. Thank you.

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