

Speech by Minister for Transport Lui Tuck Yew at Singapore Shipping Association Lunar New Year Cocktail Reception 2015 on 24 February 2015

Mrs Josephine Teo, Senior Minister of State

Mr Patrick Phoon, President, Singapore Shipping Association (SSA)

Mr Lucien Wong, Chairman of the Maritime and Port Authority of Singapore

Members of the SSA

Fellow mariners

Ladies and gentlemen,

1 A very good evening. May I start off by wishing one and all, a very blessed and Happy Lunar New Year. 新年快乐，万事如意，生意兴隆，一帆风顺。 For the English speaking crowd, may you always have enough water under your keels. This annual get-together, organised by the SSA, is a timely opportunity for us to come together to celebrate the new year.

Maritime Singapore continued good performance in 2014

2 2014 was a good year for Maritime Singapore. We continued to do well despite the challenging environment. Our vessel arrival tonnage rose by 1.9 percent to 2.37 billion GT. In terms of container growth, we grew by 4 percent to reach a record high of 33.9 million TEUs. We have held our own against Shanghai and kept the gap between the ports that are in third and fourth placing in the ranking behind us. We also maintained our position as the top bunkering port in the world and cemented our position as one of the leading International Maritime Centres (IMCs) around the world, thanks in no small part to all your contributions. This United Nations group of mariners here is what makes the IMC strong. In two months' time, we will have the fifth run of Sea Asia and I believe it is the best ever in subscription and participation.

3 Looking ahead to the rest of this year, there is neither a clear upward trajectory nor a straight course for the maritime sector. Whatever optimism that we can look to, is not going to be a result of increased

rates. Rather, it is likely to come from lower costs and we can continue to persevere in this direction. While some have benefitted from the lower bunker cost, others in the offshore and dry bulk sector are having a difficult time. In fact, the Baltic Dry Index has dropped to near record low. We are probably not going to see the imbalance between capacity and the demand righted this year. So we will have to continue to find other ways to grow and remain nimble and strong. Maritime Singapore has good fundamentals: a strong eco-system and very importantly, the Government is fully behind this sector. This year's Budget is not only about having something for the present and the future; something for families and businesses; something to strengthen our economic competitiveness and enhance our safety nets; but it also had something specific to the maritime sector. We want to thank the Senior Minister of State for Finance and Transport for making sure that our interests are well looked after, when the Budget was drawn up this year.

Establishing the Singapore War Risks Mutual

4 Over the years, the Singapore Shipping Association (SSA) has launched many programmes to promote not only the interests of your members but also Maritime Singapore. This year is no different.

5 I am very pleased to learn that Singapore will now have its own dedicated war risk facility, joining leading maritime nations such as Greece, Japan, Norway and UK. A working group of the SSA had collaborated with The Standard Club Asia to establish a Singapore War Risks Mutual. This important development will move us up the maritime ladder as did the Ship Sales Form and other initiatives we have put together to promote maritime arbitration in Singapore over the years. The establishment of the Singapore War Risks Mutual is a noteworthy development and I thank all those who have worked hard to bring this about, especially to Patrick and his team. I understand from Patrick that we have close to a hundred ships that are on the verge of signing or have established very strong interest to be a part of this. I hope you can spread the word around and get more people onboard.

Importance of tripartite partnership

6 Indeed, for Maritime Singapore to continue to thrive, a strong tripartite partnership between the industry, the unions and the Government is crucial. In this regard, the SSA has been an invaluable partner to the Government. Your feedback has helped us shape and refine our policies and practices. Your initiatives like the Singapore War

Risks Mutual will further enhance the standing and attractiveness of Maritime Singapore to international shipping and maritime companies, and hence help us do our job better.

7 Another good example is the Safety@Sea Singapore Campaign launched by MPA last year. SSA worked with MPA to reach out to seafarers and other port users to increase awareness of safe practices and inculcate a safety-first culture at sea. The safety statistics for the preceding year was actually extremely good. It probably reached one of the lowest levels in terms of incident rates that we have seen yet for many years. So well done again to SSA for coming onboard, partnering us and recognising that safety is an inherent part of what we do out at sea.

8 To further profile the maritime industry and commemorate Singapore's 50th birthday this year, I understand that MPA and SSA have jointly commissioned a documentary and a coffee table book to tell the story of our rich maritime heritage and to provide a glimpse of how the future of the sector may unfold. I look forward to watching the documentary. I look forward to using it to reach out to more Singaporeans, especially the younger generation not only on the heritage but also the immense possibilities that this sector entails, going forward.

Conclusion

9 Thank you again for being here, for supporting SSA, for supporting Maritime Singapore. The strong partnership between the Government, SSA and the unions is a unique competitive advantage for Singapore. It is important that we expand and strengthen this partnership. This will enable Maritime Singapore to stay ahead of the stiff competition. Thank you very much.