

**Keynote Address by Ms Indranee Rajah  
Senior Minister of State for Law and Finance**

**Singapore Urban Roundtable  
Thursday 10 March 2016, 9am, Sheraton Towers Hotel**

---

Mr Ede Ijjasz-Vasquez, Senior Director, Social, Urban, Rural and Resilience  
Global Practice, World Bank

Mr Tan Soon Kim, Assistant CEO, International Enterprise Singapore

Distinguished Guests

Ladies and Gentlemen

**Introduction**

1. Good morning everyone, and welcome to the inaugural Singapore Urban Roundtable, co-organised by the World Bank, International Enterprise (IE) Singapore, and the Centre for Liveable Cities (CLC). To our guests who have joined us from overseas, a very warm welcome to Singapore! It gives me great pleasure to participate in today's roundtable, organised to explore areas of cooperation based on Singapore's value proposition as an urban

hub.  
National Archives of Singapore

**Infrastructure Push Amidst Economic Slowdown**

2. Infrastructure investment is an important global agenda. International fora like the G20 and APEC have even made it a priority issue. With the increased financial market volatility, downgraded economic outlook and fears of renewed global slowdown, policymakers are looking to boost growth through investments into infrastructure, in terms of both the

quantity and quality aspects. While the G20 has called for Multilateral Development Banks (MDBs) such as the World Bank to strengthen their role in supporting infrastructure development, efforts from the MDBs alone are not enough. Private sector players need to be activated, and Governments need to be proactive in undertaking reforms to facilitate infrastructure and urban development.

3. To ensure sustainable infrastructure development, it is useful to structure a framework on required preconditions that can be broadly categorised into one, 'expertise'; two, 'financing'; and three, 'environment'. Expertise refers to capabilities in urban planning and project management, as well as research and development of innovative technologies and smart solutions. As urbanisation becomes increasingly challenging, with widespread issues of over-crowding, traffic congestion and pollution, it is important to have urban solutions that are not just short-term quick fixes. Solutions need to be strategic, comprehensive and able to stand the test of time.

4. The second element is financing. Sustainable development is dependent on both quality and quantity of investment. Due to the high cost of infrastructure development, infrastructure investment will only spur economic growth if it is allocated to high-value projects and constructed in a cost-effective manner. For investments to be sustainable, mobilising private sector funding is imperative as projects could essentially benefit from private sector innovation and efficiency.

5. The third is to have an environment conducive for business and investment, such as strong legal and regulatory frameworks for managing investment inflows, attracting and facilitating private investments, and promoting responsible business conduct.

## **Tapping on Singapore's Strengths and Experiences**

6. As an infrastructure and urban development hub located at the heart of Asia, Singapore continues to make advancements in these three elements.

### *Expertise*

7. In the area of expertise, our public sector has built up considerable planning experience in infrastructure sectors such as energy, waste management, transport, and housing. Similarly, Singapore companies across the infrastructure value chain have built up their technical expertise and track record, locally and overseas. These companies include masterplanners like Surbana Jurong and Meinhardt, and project developers like Sembcorp Industries and Keppel Infrastructure. To improve efficiency and to tap on private-sector innovation and investment, the government has partnered a number of local firms to deliver a wide range of infrastructure projects. Let me share an example.

8. Water, or the lack of it, is a strategic security issue for Singapore. In developing new water supply sources, we have found two viable methods over time. The first method is desalination from sea water; the second method is the recycling of municipal waste water. As part of our water management strategy to achieve self-sustainability at the lowest cost in the long term, the government works closely with the private sector which has developed innovative technologies, enabling products like the highly-purified recycled water known as NEWater. All four of our desalination plants have also been developed through Public-Private Partnerships (PPPs). One of our plants, the Tuaspring Desalination Plant, is now the largest desalination plant in Southeast Asia, with a designed capacity of 318,500 cubic meters of desalinated water a day. In 2014, it received a

distinction at the Global Water Awards for representing the most impressive technical or ecologically sustainable achievement in the industry.

### *Financing*

9. Secondly, in the area of infrastructure financing, Singapore has a critical mass of global financial institutions that offer infrastructure financing options such as: (i) project financing for greenfield infrastructure projects, (ii) bond financing, (c) business trusts to list infrastructure assets which are useful for capital recycling, and (d) infrastructure equity funds. In fact, financial institutions in Singapore lead-manage almost 60 percent of cross-border project financing in ASEAN.

10. Governments currently fund 60 to 65 per cent of infrastructure investment, but will come under fiscal pressures as their populations mature. Currently, only about 3 per cent of the total 57 trillion US dollars in assets under management globally is allocated to infrastructure investment. Out of this, less than 0.2 per cent goes to infrastructure debt, where investors extend private loans to fund infrastructure projects. This makes it a greatly underweighted asset class, and we are working to mainstream infrastructure assets for institutional investors by developing it as a standalone asset class.

### *Environment*

11. Our financial ecosystem is complemented by a robust legal and regulatory framework, and good governance. Infrastructure and urban development projects involve a wide range of contracts, often with multiple parties from various countries. A recent report on construction disputes saw the global average amount and duration of dispute cases increase to 51 million US

dollars, and more than 13 months respectively in 2014. As such, parties would require an efficient and neutral location for dispute resolution. Given our strong rule of law and presence of leading institutions such as the Singapore International Arbitration Centre , Singapore serves as a trusted jurisdiction for international parties to settle commercial disputes with foreign or non-government counterparts.

### **Continue Building on these Three Elements**

12. Given the rapid pace of global developments, we need to continue building on these three elements by further developing our understanding on urban development trends, as well as look for more avenues to increase constructive Public-Private Partnerships. Part of this process constitutes building thought leadership in infrastructure and urban development, through events like today, and grooming more urban development talent through IE programmes such as the Infrastructure Development Internship (IDI) and Asia Leaders Programme in Infrastructure Excellence (or ALPINE for short). This is complemented by knowledge institutions such as the Centre for Liveable Cities (CLC).

## **Deepening Partnership with the World Bank Singapore Hub**

13. We are glad that the World Bank Group recognises Singapore's strengths and comparative advantages. The establishment of World Bank Group's first Infrastructure and Urban Development Hub in Singapore presents a wealth of opportunities for more meaningful integration of World Bank's functions and Singapore-based knowledge and resources. Today's inaugural event is a step in the right direction to deepen links between Singapore public agencies, companies, and the World Bank.

14. I would thus like to strongly encourage all participants to make full use of this roundtable to learn more about the World Bank's work in the region, and Singapore's unique value proposition as an infrastructure hub. This would serve as a good foundation to explore potential areas in which Singapore could collaborate with the World Bank Group to support infrastructure development in the region. Sembcorp Industries' partnership with the World Bank is a good example. With advice from the International Finance Corporation (IFC), Sembcorp has secured a 300 million US dollar project to develop and operate a gas-fired power plant in central Myanmar. When completed, this will be the largest power project in Myanmar, and will help ease the country's severe power deficit.

### **Conclusion**

15. Singapore is honoured to play host to the First Meeting of the Global Platform for Sustainable Cities, and this Singapore Urban Roundtable. I am also happy to welcome the regional launch of the Competitive Cities Report by the World Bank which will take place shortly after this roundtable. This report will be a useful reference to gain a better understanding of cities in the region, and to spark more ideas and discussions between participants. These are exciting times for infrastructure development in the region, and I hope that we will be able to leverage on each other's strengths to make the best of it.

16. On this note, I wish all of you a productive and fruitful roundtable ahead.  
Thank you.