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Ladies and Gentlemen

Introduction

1. Good morning. I would like to thank the British High Commission and the organiser of the Green Growth and Business Forum for inviting me to deliver this address.

2. Against the backdrop of rising awareness of climate change and the need to sustain reasonable economic growth in an increasingly competitive and complex world, it is apt that this forum is being organised today to bring together the business community to garner mindshare on the concept of green growth and to facilitate the sharing of ideas and best practices.

3. I understand that yesterday's keynote speakers painted a picture of how we can work together towards green growth. I would like to add to that by reinforcing the role of governments to work with the various stakeholder groups on this journey, and the importance of gearing ourselves to seize opportunities that could arise.

Key trends

4. Let me begin by highlighting some key trends we see which are fuelling an urgency for change in the way we live and operate. Firstly, the world's population and the rate of urbanisation have seen unprecedented growth in the last five decades. Looking ahead, the world population is expected to reach 9.6 billion in 2050 from 7.2 billion today; at the same time, the population living in urban areas is projected to pass from 3.6 billion in 2011 to 6.3 billion in 2050. This places tremendous and unprecedented pressure on the earth's limited resources.

5. Secondly, climate change and its impacts are increasingly felt across the globe, and extreme weather events have increased in both frequency and intensity in recent years. The United States of America experienced two of its deadliest and costliest storms in the last 10 years, referring to Hurricane Katrina and Superstorm Sandy. Closer to home, in November last year, we witnessed the devastation caused by Typhoon Haiyan which killed at least 6,286 people in the Philippines alone. Only a few months ago, Singapore and regional countries like Malaysia and Indonesia recorded our longest dry spells, joining countries like Australia, Brazil, and US in battling drought.

6. The Intergovernmental Panel on Climate Change (IPCC) is almost certain that human

activity is responsible for global warming in its latest Fifth Assessment Report (AR5), which is the key indicator of climate change. In fact, for the first time, the mean monthly carbon dioxide concentration in the atmosphere topped 400 parts per million (ppm) throughout the northern hemisphere in April, and the global annual average is set to cross this 400 ppm level within the next two years.

7. What all this means is that unless we make a concerted effort to change the way we live and operate, the world is on course to enter uncharted, potentially dangerous, territory. It is therefore an imperative that while pursuing economic development and growth, we do so in a greener and more environmentally sustainable manner.

Key principles underpinning Singapore's national development strategy

8. Governments have an important role to play in steering national development within this increasingly complex and potentially treacherous space, through good public policies and by working closely with the people and private sectors to shape their countries' futures. The good news is that economic growth need not come at the expense of the environment, as Singapore's own developmental history and environmental achievements attest to. This means that a country and its people's well-being can be served by caring both for its people and for the environment at the same time. In this regard, I would like to share three principles that underpinned Singapore's national development strategy in the past five decades. They have helped lay a good foundation upon which our economic and environmental achievements today are anchored, and they continue to have significant bearing in terms of positioning Singapore for future opportunities.

Right-Pricing Resources

9. First, we need to right-price our resources. Being a small, island nation state without natural resources has compelled Singapore to exercise greater prudence in the usage of resources to sustain our economic growth and development. The primary means through which we achieve this is by adopting the principle of right-pricing resources. The Singapore Government does not subsidise the cost of strategic resources like water and energy in any way. In fact, in the case of water, we impose an economically efficient price which is significantly above cost in order to enhance conservation. This helps to promote responsible use of our limited resources and incentivises users to find ways to maximise the efficiency of their operations to save cost.

10. In April last year, Singapore introduced the Energy Conservation Act (ECA). Under this Act, relevant government agencies work closely with high energy-consuming companies to facilitate the sharing of best practices, and to support them in developing plans to improve energy efficiency. While companies may find themselves having to commit additional time and resources upfront to this effort, we believe that companies will benefit from net savings in the longer term, and consequently achieve higher productivity and competitiveness. In the year ahead, the Government will also start working with large hotels and shopping malls to enhance their waste management practices, and with large water-consuming companies to improve their water efficiency

performance, both with a similar policy objective as what we are doing in the energy efficiency space.

11. The Government is committed to facilitate and support companies in their journey to enhance resource efficiency. We will continue to enhance the existing incentive schemes and capability building programmes so that they remain effective and relevant to the industry. On this note, I would like to thank our partners in the business community, especially those who have been very open and forthcoming in sharing their views and feedback over the years at various platforms. You have helped inform the refinements to our schemes and programmes for greater effectiveness. I would also like take the opportunity to encourage more companies to follow their lead.

Long-Term View in Planning

12. The second principle that has served Singapore well is the adoption of a long-term view in our planning. Given Singapore's land constraints and the need to cater for wide-ranging land uses for a growing population, Singapore cannot afford planning errors that would lock our future generations to a development trajectory that is sub-optimal or unsustainable.

13. From the very early days of our independence, Singapore's pioneer generation leaders chose to, and persisted in, pursuing environmental sustainability even in the midst of the urgent need to embark on aggressive industrialisation and development. Amongst other things, our first PM Mr Lee Kuan Yew banned coal-fired power plants, cleaned up the Singapore River and set the vision to make Singapore a clean & green city. More recently, the first Singapore Green Plan (SGP) was released in 2002, followed by three revisions and eventually the Sustainable Singapore Blueprint (SSB) in 2009. The SSB outlines our strategies for sustainable development, including long-term targets for energy, air quality, water and waste management, providing the framework that enabled agencies across the Government to align their sustainability efforts for better outcomes. Since then, we have also witnessed the mobilisation of ground-up efforts and initiatives by the private and people sectors that contributed to the environmental cause.

14. Let me highlight four examples of how some quarters of the corporate sector have done so, since this conference is about the interface of businesses and sustainability:

a. SGX, the Singapore Exchange, released in 2011 a sustainability reporting guide to encourage businesses to take greater control and responsibility towards sustainability practices. Last year, it released another publication, called "An Investor's Guide to Reading Sustainability Reports", to reach out to shareholders.

b. Sheng Siong, a supermarket chain with a sizeable local presence, announced in September last year that it was installing solar panels on the rooftop of its upcoming 11,000 square metre distribution centre, which can provide up to 1.2 MWp, making it the single largest solar installation in Singapore.

c. The Westin Hotel, back in Singapore recently, is housed in a Green Mark Platinum building. Among its accommodation options are 'Green Rooms', where guests can monitor their energy usage and are challenged to keep it low to trigger donations to charity.

d. The Overseas Chinese Banking Corp, or OCBC, joined the Roundtable on Sustainable Palm Oil (RSPO) in January 2013, which set them up to exercise greater responsibility, by considering sustainability in financing decisions for palm oil business activities.

These efforts are just some examples of many out there that testify to the fact that some good companies in Singapore are proactive in playing their part for the environment. I am optimistic that these efforts will provide case demonstrations for others that it is possible to do well, by doing good, and the Singapore Government will continue to provide support for businesses to do so.

15. The Government is currently mid-way through a thorough review of the SSB. The revised SSB will include the theme of green growth as one of its key thrusts. Under this, we hope to see deeper engagement and closer partnership with business owners and leaders like yourselves to help upgrade and move Singapore's industry sector towards greener approaches, and to create good quality jobs for Singaporeans in the process.

Research and Innovation

16. The third principle lies in pursuing research and innovation. Singapore's water story is a good example of how this had been a critical enabler that turned a constraint into a strategic advantage for Singapore. Through research and innovation, we have made it viable to use reverse osmosis to create two of our four national taps, in desalination and recycling used water. These two methods are independent of the climate, and have greatly boosted our water self-sufficiency, supplying more than half our water supply today.

17. PUB, our national water agency, is not resting on its laurels, but continues to work closely with the research community on membrane technology to push the boundaries for greater energy efficiency to reduce the cost of production for desalination. In addition, the active involvement of the private sector in major water projects, such as NEWater and the Marina Barrage, over the years has helped to develop a vibrant local industry cluster of water companies with a wealth of technical experience and know-how. Today, Singapore is at the fore-front in some key areas of water technology development, and our success is also benefitting many other countries.

18. The Government will play its part to support research and innovation. To this end, the Government had set aside more than \$800 million to fund research and test bedding programmes in Clean Energy and Water Technologies.

We also launched the \$300 million Energy National Innovation Challenge and the \$135

million Land and Liveability National Innovation Challenge to harness the existing multi-disciplinary research capabilities in Singapore to develop practical and impactful solutions to key challenges to Singapore's sustainability and growth.

19. We hope to replicate our success in the water domain to other resource areas, such as renewable energy and resource recovery. We will continue to fund research and build supporting infrastructure so that Singapore can be a global centre for knowledge and ideas on green growth, and a bustling focal point for green-collar workers.

Conclusion

20. Singapore's pioneer generation of leaders had the foresight to exercise the three principles that I have illustrated – of right-pricing resources; adopting a long-term view in planning; and pursuing research and innovation. These continue to be relevant as we build on their legacy so that our future generations will inherit from us an equally good, if not better environment than we did.

21. Looking ahead, I am confident that with stronger partnership between the government and important stakeholder groups such as all of you seated in this room, we will have an exciting journey with abundant opportunities to be exploited along the way. Let us step up the pace together, take a long term view in all our future plans, and build a sustainable world that we can all be proud of.

22. I wish you all a fruitful discussion throughout the rest of the day. Thank you.

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