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SPEECH BY MR S DHANABALAN,
MINISTER FOR TRADE & INDUSTRY
AT JTC'S 25TH ANNIVERSARY JUBILEE DINNER
AT WESTIN STAMFORD HOTEL ON SUNDAY, 30 MAY 93 AT 7.30 PM

In 1960, when we embarked on industrialisation, the development of Jurong Industrial Estate was the symbol of our commitment to this new drive towards industrialisation. It was also a leap of faith because the bulldozers started moving in even before there was anything in the investment pipeline. Today, Jurong Industrial Estate is a thriving modern industrial town. It houses over 3,000 manufacturing and related companies employing over 140,000 employees.

2. Over the years, the Jurong Town Corporation (JTC) has developed 30 other industrial estates all over Singapore. I am happy to be here today, to celebrate JTC's 25th Anniversary. I congratulate JTC and its staff for their dedicated work and contribution to the industrialisation of Singapore.

3. Our vision today is to become a developed nation by the year 2030. We want to raise the standards of living for all Singaporeans. To do this, we must ensure a sustainable pace of economic growth, which means remaining competitive.

4. Singapore is home to the manufacturing operations of many local and foreign multinational companies. But other countries in the region also want to attract the type of investment that we have. They are our strongest competitors, and are catching up fast in attracting foreign direct investment. In addition, investors who are already in Singapore are beginning to relocate outside Singapore, in Malaysia, Indonesia, and Thailand. Increasingly, more will also go to China as to take advantage of the opportunities that China will offer. With these trends, our businessmen have raised concerns that the manufacturing sector is undergoing a hollowing-out due to high costs. But hollowing-out need not occur if we successfully meet the challenge to remain attractive to new types of high value-added manufacturing and service investments.

5. Given Singapore's limited land and labour resources, we cannot compete with our better-endowed neighbours on cost levels alone though we must never relent in our efforts to keep costs down. We have remained competitive because of the quality of our infrastructure and of our human resources. The government's pro-business policy is well known and this breeds investor confidence that the government will always take their concerns into account.

6. We will remain competitive if we continue to give investors value for money, like the Germans and the Japanese do. Investors look at the bottom line and not merely at the nominal costs. If our higher nominal costs are offset by the quality of the products and services, so that Singapore remains a very profitable place for them to invest, they will invest. We must therefore invest more in quality systems and programming, in research and development, so as to maintain a technological edge over our competitors.

7. What is JTC's role? JTC's priority is to meet the changing needs of investors in Singapore. Only by being flexible and by providing creative and innovative solutions to meet customer needs can JTC continue to attract manufacturing investments into its estates. So far, JTC has used its land resources innovatively. One example is the development of the International Business Park, to provide integrated facilities for high-tech manufacturing and related business activities. Another example is the amalgamation of the offshore islands off Jurong to allow for the future growth of the petrochemical and chemical industries.

8. JTC has also demonstrated that it can be flexible in meeting the needs of manufacturers. In February this year, Siemens opened its new factory at Kallang Way. This factory was built by JTC to Siemens' specifications, and leased on a long-term contract. Several other such custom-built factories are now on the drawing board. Rules regarding subletting have been liberalised. Lease extensions will be made easier. For local companies, JTC has carved out smaller parcels of land, and will build more terrace factories to support the smaller manufacturers.

9. While JTC's priority is to meet investors' needs in Singapore, it has quite rightly looked for opportunities to export its expertise and experience. I am happy to note that over the past few years, JTC has made tremendous progress in its ventures overseas. It has projects in Batam, Bintan, Karimun, Thailand and Fuqing in China. I understand that JTC is also exploring proposals from other countries. As JTC builds up its regional links in these countries, this would facilitate the efforts of other local entrepreneurs who want to invest overseas to link up with the Singapore operations.

10. JTC can also team up with well-established local companies to participate in these regional developments. Such partnerships will help in technology transfer to our local partners, which will benefit them in the long run.

11. In conclusion, let me extend my best wishes to JTC and its staff on your 25th Anniversary. I am sure that the Corporation will remain vigorous and dynamic for the next 25 years as it ventures into new areas.