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**SPEECH BY MR S DHANABALAN,
MINISTER FOR TRADE & INDUSTRY, AT THE INAUGURATION OF
THE SINGAPORE-SHANDONG BUSINESS COUNCIL
IN JINAN, SHANDONG PROVINCE,
PEOPLE'S REPUBLIC OF CHINA (PRC)
ON TUESDAY, 3 NOVEMBER 1993 AT 4.30 PM**

Since April this year, when our Prime Minister Goh Chok Tong visited Shandong, I have heard many good reports about Shandong. These reports were made not only by the Prime Minister but also by my other colleagues who have visited Shandong. I have also learned a lot about this province during my conversations with His Excellencies, Mr Zhao and Mr Song when they visited Singapore. At last, I have the opportunity to see Shandong for myself. After spending two days in Qingdao and one day in Tai-an, I fully understand my colleagues' enthusiasm in co-operating with Shandong. I must say that Shandong has excellent investment conditions and plentiful business opportunities. I would like to take this opportunity to thank His Excellency, Mr Zhao, for inviting my wife and me to visit Shandong.

I am pleased to be here today to witness this inauguration of the Singapore-Shandong Business Council. It marks a milestone in the economic cooperation between Singapore and Shandong. The idea of such a council was initiated during Prime Minister Goh Chok Tong's visit to Shandong in April this year. Two months later, a Memorandum of Understanding on the formation of the council was signed during the visit to Singapore by His Excellency, Mr Zhao, in June 1993.

Since then, I am pleased to note the level of commitment and the pragmatic approach adopted by the council representatives from both Singapore and Shandong. In early September 1993, the co-Chairman of the council, Mr Song Fatang led four of his council members to Singapore to prepare for this inauguration. Following that, Singapore sent three fact-finding teams to Shandong to determine areas for cooperation.

These visits demonstrate that both parties are keen to forge strategic business alliances with Shandong, and want the council to start with a firm foundation in order to carry out its objectives in the long run.

Resource-rich Shandong is an important province in China's economy. I understand that it is the second largest contributor to China's Gross National Product, the third most populous province in China, and also an important producer of many agricultural, fishery and industrial products.

Singapore does not have natural resources. Nevertheless, Singapore has evolved from a small entrepot economy into an international business hub. Our success has been based on our ability to tap overseas markets, foreign investments and foreign management and technology. For instance, cumulative foreign investments into our manufacturing sector quadrupled from S\$7.1 billion in 1980 to S\$29.2 billion in 1992. Trade has also more than doubled from less than S\$100 billion in 1980 to S\$221 billion in 1992. In the course of this development, we have accumulated valuable management and marketing expertise and technological know-how.

I believe that our entrepreneurs can play a role in Shandong's industrial development by introducing technology and capital. With their experience in international business, Singapore businessmen can help introduce foreign investors to Shandong and act as an interface between Shandong and foreign sources of management, marketing expertise and technology.

The creation of the Singapore-Shandong Business Council therefore timely. The council will serve as an important vehicle for broad-based cooperation between Singapore and Shandong. I am optimistic that with commitment from the governments of Singapore and Shandong and the private sector, the Singapore-Shandong Business Council will be successful in securing a brighter future for both our economies.

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