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SPEECH BY DR YEO NING HONG, MINISTER FOR COMMUNICATIONS
AND INFORMATION AND SECOND MINISTER FOR DEFENCE (POLICY),
AT THE OFFICIAL OPENING OF THE PSA BUILDING
ON FRIDAY 15 MAY 87 AT 10.00 AM

I am pleased to be here this morning to officially open the PSA Building.

PSA Building has come to be regarded as a landmark in Singapore's construction industry. It is one of the few major office complexes in Singapore to be designed and built completely by local talent. The architectural design has also been commended as being both unique and distinctive. It shows that Singaporeans are capable of producing a distinctive building of high quality comparable to the best in the region. It is a building befitting the Port which has shown that Singapore can rank among the best in the world in providing modern port facilities with fast, cost-efficient service. The building's clean futuristic lines reflects PSA's philosophy of moving forward into the future, with quiet confidence deeply rooted in service and high productivity, and with assurance of its premier position in the competitive world of shipping.

Despite the economic downturn in Singapore and stiff competition from rival ports in the region, the Port performed well in 1986. The total tonnage of ships that called at Singapore increased by 23 per cent to 324.6 million gross registered tons (GRT). This makes Singapore the world's busiest port for 1986, surpassing the Port of Rotterdam by about 50 million GRT.

Cargowise, 1986 also has been another good year with our Port handling 120 million tonnes, registering double digit growth of 14 per cent. More impressively, container throughput recorded a hefty growth of 30 per cent to reach 2.2 million TEUs. This growth will very likely help Singapore climb up from 6th to 5th position among major container ports in the world for 1986.

For 1987, figures for the first quarter augurs well. The throughput of containers was 17 per cent higher than that for the first quarter of 1986, while shipping tonnage rose by 11 per cent.

Ships and cargoes come to Singapore because of the high level of service and productivity of our Port. The Singapore Port can turn a container ship around in a faster time than any other port in the world. Last year, we handled an average of 65 containers an hour per ship. Hong Kong, our closest competitor, averaged 49 and Kaohsiung 33. It is this high productivity that has given us the competitive edge. High productivity gains are good for a company. They provide the company with higher levels of profit, and higher incomes for its workers. But high productivity gains for a statutory body such as the PSA are even better. These productivity gains are passed on to all port users and shippers, benefitting practically all companies, both those which import and those which export. The end result is greater international competitiveness for our companies and products at lower costs for our consumers.

In the past two and a half years, PSA has given rebates amounting to about \$180 million. Today, I am pleased to announce that the PSA will be reducing rates yet again. With effect from 1 Jun this year -

- (i) Stevedorage charges on empty FCL containers will be reduced by 30 per cent to encourage more shipping lines to use Singapore as their regional load centre.

- (ii) Tug charges will be reduced by 15 per cent for vessels above 10,000 GRT.
- (iii) Dockage charges will be reduced by between 11 to 55 per cent for vessels at the conventional wharves.

All these rebates, together with several other minor adjustments to tariff items, will benefit our economy by some \$14 million a year. The tariff rebates and productivity improvements are expected to attract more shipping through Singapore with their spillover benefits for the rest of the economy.

To maintain our high productivity growth, the PSA is planning to invest in additional facilities and equipment. \$12 million will be spent this year to dredge the existing one-lane approach channel to the Container Terminal to make it into two lanes and to deepen the fairways and basins of the Port to improve manoeuvrability in the Port waters. Another \$21 million will be spent on the acquisition of four quay cranes to serve two new container berths. These quay cranes when installed with a computer-aided operations system are expected to be at least 20 per cent better in performance than that of the existing cranes. We look forward to the time when productivity gains from these investments will add to our competitive edge.

On this happy note, it gives me great pleasure to now officially declare open the PSA Building.
