



**Opening Address by Ms. Amreeta Eng  
Trade Promotion Group Director, International Enterprise (IE) Singapore,  
at the Asia-Pacific Petroleum Conference (APPEC) 2014  
30 September 2014, 1815hrs  
Raffles City Convention Centre, Singapore**

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Good evening

Ladies and Gentlemen,

1. I am delighted to join you today at the 30<sup>th</sup> Asia Pacific Petroleum Conference (APPEC). Congratulations to APPEC on celebrating its 30<sup>th</sup> edition today. Since its inaugural event in 1985, APPEC has grown to become one of Asia's most important forums for the oil and gas sector.
2. International Enterprise (IE) Singapore is the government agency responsible for promoting Singapore's trade as well as overseas investments. In addition to the promotion of exports of goods and services, we also promote international trading in Singapore, focusing on three clusters: energy, agri-commodities, as well as metals and minerals. IE Singapore works very closely with the industry, and other government agencies to strengthen our trade infrastructure and to groom talent for the industry.

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**Global Energy Trends**

3. The US shale revolution continues to shape global energy trade flows. According to the US Energy Information Administration, US imports of crude could be displaced by domestic barrels by 2020. Traditional US supplies of crude from the Middle East, Latin America and Africa will be diverted to Asia. The sheer volume of incremental production from the shale plays could also propel the country to become a net exporter of oil products, with Asia being the main destination market.

4. Moving on to gas, the long-term demand and supply outlook for gas remains strong and global LNG trade is expected to grow. Asia will be at the centre of demand for gas and will play an increasingly important role in the global gas market. The expansion of the Panama Canal will also support trade flows to Asia, providing a shortcut for 90% of the global LNG fleet<sup>1</sup> headed our way.

#### **Singapore as a trading hub and continued relevance**

5. Located on one of the most important waterways in the world, Singapore is strategically positioned to facilitate these changing oil flows while playing a dominant role in the gas market, particularly for LNG. According to the International Energy Agency, the narrow sea lane that runs through the Straits of Malacca and Singapore is expected to carry as much as 45% of global crude trade by 2035<sup>2</sup>.
6. Singapore is already Asia's top oil trading hub managing 15% of global oil trades<sup>3</sup>. The sector comprises a whole spectrum of companies from National Oil Companies, International Oil Companies, and independent trading houses to other regional and local players.
7. Companies have chosen Singapore because of our strong business infrastructure, and robust and stable legal and corporate governance frameworks. On the financing front, Singapore is a premier centre with over 700 financial institutions, providing easy access to financing and related services. Alongside Singapore-based global and regional banks, our local banks support the financing needs of commodity trading companies. Many trading companies have actively tapped on our capital markets. For instance, in 2013, Trafigura<sup>4</sup> and Gunvor<sup>5</sup> listed their bonds in Singapore, which were oversubscribed.
8. In addition, specifically for oil, we continue to be supported by the fact that we are an export refining centre, and the world's largest bunker market. The independent storage capacity of more than 10 million cubic metres also supports both trading and pricing activities in Singapore.

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<sup>1</sup> Figure obtained from Energy Intelligence Group article dated 7 February 2014

<sup>2</sup> Wall Street Journal, 2 October 2013 : <http://blogs.wsj.com/moneybeat/2013/10/02/singapore-will-be-seeing-lots-more-oil-traffic/>

<sup>3</sup> Geneva Trading and Shipping Association 2012

<sup>4</sup> Trafigura raised US\$500m with its perpetual bond issuance on SGX in April 2013

<sup>5</sup> Gunvor raised US\$500m with its five year bond issuance on SGX in May 2013

9. Riding on our success as an oil hub, we have also managed to attract a cluster of LNG players. To date, more than 25 LNG companies have established a presence in Singapore, conducting activities such as business development, trading, and shipping.

**Partnering With Us**

10. The growing number of global trading companies based in Singapore is testament to the conducive business environment here. And while the energy sector is the most established of the commodities trading sectors in Singapore, IE Singapore is committed to continue growing Singapore into a thriving and vibrant energy trading hub.
11. For those of you here, who are considering a base outside your home country, Singapore would be an ideal location to establish your global or regional operations. IE Singapore looks forward to your participation in our marketplace, and would like to invite companies who are new to Singapore, to start a dialogue with us.
12. On this note, I wish all of you a fruitful conference and a pleasant evening ahead.

Thank you.

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