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AT THE FOUNDATION LAYING CEREMONY
FOR THE GERMAN CENTRE FOR INDUSTRY AND TRADE
AT JURONG INTERNATIONAL BUSINESS PARK
ON MONDAY 4 OCTOBER 1993 AT 11.30 AM**

I am pleased to join you this morning for the Foundation-Laying Ceremony of the German Centre for Industry and Trade. I am told this centre will be built at a cost of S\$50 million. This is a significant investment, marking another milestone in Singapore's partnership with Germany.

In the last three decades, Singapore's relationship with Germany have been strengthened with the conclusion of various bilateral agreements. These include the signing of the Air Transport Agreement in 1971 and the Double Taxation Agreement in 1973, as well as the ratification of the agreement for the promotion of investments in 1975. I am glad to note that German businesses have flourished here as a result of the Singapore government's active promotion of free trade and economic development.

Presently, the German business community here has grown to almost 400 German companies, employing some 8,000 people engaged in a multitude of activities encompassing manufacturing, finance, trade and other services. With a total investment of DM 1.7 billion, Singapore accounts for 70 per cent of total cumulative German investment in ASEAN. Singapore is also Germany's leading trade partner in ASEAN. In 1992, 35 per cent of all German imports into Singapore were re-exported to the region.

The Asia Pacific is regarded by many as the world's most dynamic growth region, with annual growth forecast at more than seven percent. It is therefore not surprising

that many renowned German companies, such as AEG, BASF, Bayer, Siemens and Varta are already using Singapore as a total business centre and a springboard into the Asia Pacific. Although these and other German companies have already established their presence here, there is still much scope for expansion of activities, particularly in plant and mechanical engineering, precision engineering and environmental technology. This region offers German companies new alternative markets to supplement their traditional European markets.

Besides being a major investor in our economy, Germany has also contributed to Singapore in the areas of education, technology transfer, and manpower development and upgrading.

The signing of an Memorandum of Undertaking (MOU) in Stuttgart provided the framework for bilateral cooperation to study how the German Dual-System of education can be incorporated in Singapore.

Other cooperatives projects are the Precision Engineering Institute and the German-Singapore Institute which were formed with the help of the various German State governments and multi-national companies. These institutes have contributed to the training of industry-oriented and qualified key specialists to support our manufacturing sector, which is the backbone of Singapore's economy. Many of our specialists working in the precision engineering companies today were trained in Germany. Some of these graduates have moved on to set up their own companies and have become successful entrepreneurs.

Today we take another significant step in Singapore-Germany cooperation with the setting up of the German Centre for Industry and Trade. This centre is being established with the full support of the State of Baden-Wuerttemberg, the VDMA (German Machinery and Plant Builders' Association), together with two major German banks.

This centre can generate important spin-offs for German industries especially in the sectors of machine tool and industrial machinery, precision engineering, and plant

and process engineering. The German Centre will serve as a second home for many companies from these sectors, particularly the small- and medium-sized ones. It will also offer opportunities for collaborations and joint-ventures between German and Singapore companies. The centre's close proximity to the German-Singapore Institute (GSI) will enable German companies to jointly promote their products with the GSI. German companies can help their Singapore counterparts to upgrade and become reliable suppliers of quality components to German companies operating in the region.

To further facilitate cooperation between the two countries, the government is also considering a German-Singapore Business Forum as an overall umbrella organisation for cooperation between German and Singapore companies. The proposed Forum will encourage German companies to collaborate and synergise with Singapore companies to exploit business opportunities in the Asia-Pacific region. Through Joint Strategic Planning Meetings, they can identify specific projects of mutual benefit.

In closing, I would like to congratulate the German State Government of Baden-Wuerttemberg, the two State banks (Sudwestdeutsche LandesBank and Westdeutsche LandesBank), the German Machinery and Plant Builders' Association, and wish the management and staff of the German Centre for Industry and Trade every success in the years ahead.

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