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Subject: (EMBARGOED) Speech by BG George Yeo, 12 Nov 99, 10.30 AM

Singapore Government

PRESS RELEASE

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SPEECH BY BG GEORGE YEO, MINISTER FOR TRADE AND INDUSTRY, AT THE OFFICIAL OPENING OF
OASIS@SAKRA AMENITY CENTRE AND JURONG ISLAND.COM INTERNET PORTAL ON 12 NOV 99 AT
10.30 AM

The Chemical Industry: A New Growth Sector

1 The manufacturing sector today constitutes 23% of the Singapore economy. We hope to keep it at about 25% in the long-term, including manufacturing services. Electronics make up half of manufacturing. As it is a very cyclical industry, we will diversify more into other manufacturing industries to make the sector more resilient. The chemical industry is an exciting new growth sector for us. We hope to increase the contribution of the chemical industry from the current 23% of total manufacturing output to 30% in 10 years' time.

2 Manufacturing in the future will require highly-skilled personnel to operate sophisticated plants and machines. About 90% of the 6,000 employees in Jurong Island today are technical personnel, half of them with tertiary education. The value-added per worker of these companies is 8 times the national manufacturing average. Investment in factory facility per worker (including plant, machinery, building and civil works) is 35 times the national manufacturing average.

3 One good example is Poval Asia which I have just visited this morning. The \$170-million plant makes polyvinyl alcohol which is used in a wide range of products from safety glass to paper. A team of only seven well-trained staff is all that is needed to operate the highly automated plant in each shift. Six of them work in the control room where they use advanced computers to manage the chemical processes of the entire plant. The seventh uses sophisticated equipment to conduct chemical analysis and quality control in the laboratory.

4 Here in Jurong Island, our plan is to develop an integrated world-scale petrochemical hub. Today, we have 53 companies which have committed to invest \$21 billion on the island. Forty-two companies are currently in production and another six will come on stream next year. We are well on our way there.

Oasis@Sakra

5 Singapore has become the world's third largest oil refining centre and a major petrochemical hub by exploiting natural advantages. The region is rich in hydrocarbons and we lie astride one of the world's busiest searoutes. Political stability, good administration and first-class physical, logistic and business infrastructure have made us a good location for capital intensive long-term investments.

6 Jurong Island is part of the re-creation of Jurong. You can sense the excitement and energy among the people involved in the Jurong Island project – not just among those in JTC, EDB and other government agencies, but also among the foreign and local companies involved, including the employees. As they build Jurong Island, they see the landscape changing day by day. Together, they are writing a new chapter of the Jurong story.

7 Jurong Island should be a thriving community with a conducive environment, attractive landscaping and good social amenities. We do not want it to be a bleak expanse of equipment, pipes and tubings but a fascinating place with high technology and remarkable human organisation which students and tourists would want to visit. This amenity centre we are opening today is a start towards that end. Called Oasis@Sakra, it houses a foodcourt, an al-fresco restaurant, a 24-hour medical centre and convenience stores – all first's on the island. In addition, Oasis@Sakra will be a transportation hub with the island's first public bus interchange. The first public bus service here will start operation soon. JTC has been providing shuttle bus services within Jurong Island and to the Jurong East MRT station as an interim solution.

8 In time, Oasis@Sakra will be a watering hole for the people working on Jurong Island, already numbering 6,000 today. It will be an attractive spot for individuals to meet, talk shop and exchange the latest news.

Jurong Island IT Masterplan

9 Traditionally conservative, the petroleum and chemical industry is fast catching up with Information Technology. The revolution caused by the Internet and e-commerce will change the way business is done.

10 Take the example of Eastman Chemical. Two months ago, its Chairman and CEO Earnest Deavenport Jr was in Singapore to open the company's new plant on Jurong Island. He announced that Eastman had launched a major e-commerce service for its customers in the US and Canada which will be expanded globally. Chevron, which has its regional headquarters on the Island, has also announced ambitious plans to develop its e-business up and down the supply chain. Shell Chemical, which also has significant investments on Jurong Island, has established an electronic procurement system, linking it to its customers and suppliers worldwide.

11 Jurong Island is being prepared for the new age of IT. A broadband optical fibre network has already been installed on the island. Building the network hardware is the easy part. We need the applications and services to make Jurong Island an even more competitive location to operate from in the future. To spearhead this effort, a Jurong Island IT Masterplan Committee has been formed. It is chaired by JTC and comprises NCB, EDB and the Jurong Island companies as members. The Committee has drawn up a blueprint for shared IT services on Jurong Island. The IT masterplan covers four initial modules: integrated logistics; maintenance, repairs and engineering services; safety, health and environment; and information services.

12 The Integrated Logistics Management module will allow chemical companies in Jurong Island to optimise their supply chain management through Internet linkages with partners in the logistics value chain – suppliers, customers, transport companies, ports and government agencies. The Maintenance, Repair and Engineering services module will provide an e-commerce platform for companies to integrate maintenance, repair and overhaul. It will also allow the online sourcing of spare parts and services and the scheduling and tracking of maintenance jobs.

13 The key objective of the IT masterplan is to enable Jurong Island companies to conduct business electronically, reduce cycle time and costs and exploit e-business opportunities. The IT Masterplan Committee is evaluating proposals from six IT consortiums. We hope to start implementing the logistics and engineering modules early next year, after the Y2K problem is past.

Jurong Island.com

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14 Jurong Island is also going dot-com. The launch of this new Internet portal is the first step towards making Jurong Island a smart island. The Internet portal will serve as a convenient gateway for various services envisaged in the Jurong Island IT Masterplan. It should bring the Jurong Island community closer and provide a watering hole in cyberspace complementing Oasis@Sakra.

15 With JurongIsland.com, companies here can access all kinds of information on Jurong Island – its physical development, the professional and social calendar, latest industry news, retail and food promotions at Oasis@Sakra and so on. JurongIsland.com will also enable companies to do business with JTC, eg buying site plans. More services will be added as the IT masterplan is implemented. The services will also be extended to other companies in Singapore and beyond.

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16 Today's launch of Oasis@Sakra and JurongIsland.com is an important milestone. These are but two of the many things that we must do to keep up with the dizzying changes in the world.

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