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Singapore Government

MEDIA RELEASE

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OPENING ADDRESS BY MR TANG GUAN SENG, SENIOR PARLIAMENTARY SECRETARY, MINISTRY OF TRADE & INDUSTRY, AT THE OPENING OF TAX FREE ASIA PACIFIC EXHIBITION SINGAPORE INTERNATIONAL CONVENTION & EXHIBITION CENTRE TUESDAY, 30 MAY 2000 AT 8.30 AM

Good morning, distinguished guests, ladies and gentlemen. It is my pleasure to be here today to officiate at the opening of the sixth Tax Free Asia Pacific Exhibition.

I would like to extend a warm welcome to all of you to *New Asia - Singapore*. I hope your stay here so far has been an enjoyable one. And I am sure that there will be many more memorable moments for you in your next few days here. My brief address this morning will focus on two aspects – *the right time* and *the right place* for the Tax Free Asia Pacific Exhibition.

Let me first discuss why this is the right time for the Exhibition. Asia has seen the worst of the economic crisis that first hit us in mid 1997. Today, Asia is recovering and there are many positive signs to indicate so. Let me cite a few key indicators relevant to tourism industry.

The preliminary estimates by the World Tourism Organisation put the visitor arrivals into East Asia and the Pacific region in 1999 at 94 million. This is a healthy 7.5% growth over 1998 – the year the full effects of the economic crisis were felt. This positive trend is expected to continue with arrivals projected to reach 438 million by the year 2020.

Looking at tourism receipts, the World Trade Organisation claims that the East Asia and the Pacific region is projected to overtake the Americas as the second largest receiving region by 2020. East Asia and the Pacific region had 15% of the world's tourism receipts in 1998 compared to Americas' 27.4%. However, by 2020 it is expected to hold 27% market share against the Americas' 18%.

Here in Singapore, we saw an increase of 11.5% in visitor arrivals last year over 1998. Visitor arrivals over the last four months show an encouraging growth of 14.7% compared to the same period last year and we expect visitor arrivals this year to surpass the highs of the pre-crisis years.

In the most recent issue of the Tax Free World Association News, Asia was cited to become "the centre and motor of growth in the duty free and travel retail trade in the 21st century". Last year, Asia and Oceania accounted for 24% of global tax free sales. This is expected to increase to some 36% by 2010.

In view of the expected growth in the tourism industry, many countries in the region have built new airports or are expanding their airports. Hong Kong and Kuala Lumpur have new airports. Singapore's Changi airport - with a throughput of some 26 million passengers last year - expects its third terminal to be completed by 2005/6.

The future, thus, looks bright for Asia and once again it is capturing the attention of global businesses. With its vast population base and growing middle class, Asia represents the largest single market for businesses to tap into.

Opportunities like these do present their own challenges. Asia is vast and diverse. How do we know what customers really want? How do we segmentise the market? How should we position and market ourselves? How should we use the new engines of business – the

internet and the e-commerce - to better understand and meet the needs of our customers? I believe the conference programme yesterday would have addressed some of these pertinent issues that concern the tax-free industry.

Allow me now to explain why Singapore is the right place to hold the Exhibition. Singapore has always had a close affinity to this exhibition. The inaugural Tax Free Asia Pacific Conference and Exhibition in 1995 was followed by a further two-year staging in 1996 and 1997, before it moved out of our shores.

The decision to stage this year's exhibition in Singapore after a two-year hiatus reflects the confidence the organisers have in the Lion City. We are confident that this decision presents a win-win situation for everyone here today.

Singapore *is* the business hub of the region. Fortune Magazine ranks us at the top business venue in Asia for the second year running. Over the last sixteen years Singapore has consistently maintained its ranking as Asia's top convention city by the UAI (the Union of International Associations). Just June last year we hosted the Rotary International Convention, our biggest convention to date with about 18,000 delegates.

On the exhibitions front, we are host to the most number of UFI (or the Union of International Fairs) endorsed trade exhibitions in Asia this year - 17 out of 50 events to be exact. We are also seeing more established flagship events such as 'Food & Hotel Asia' and 'Communic Asia' achieving mega scale status. The addition of 60,000 sqm of exhibition space at the Singapore Expo since March 1999 is testimony of our commitment to cater to the growth of this sector.

Another important ingredient to Singapore's success as a business hub is the strong collaboration we have with the private sector. It was through our collaboration with the Singapore International Convention and Exhibition Centre (SICEC) that first saw this event staged here in 1995 and subsequently in 1996 and 1997. I am sure SICEC is equally pleased to host this event at its premises again this year.

With the superior infrastructure and support services that we could offer to our visitors, coupled with our strategic position at the

crossroads of Asia linked by air to 151 major cities in 50 countries, Singapore is well poised to be an exhibition and conference hub in the region.

For the business visitors, there is also the leisure aspect to the host destination. Singapore has the advantage of being cosmopolitan and yet retaining the cultural heritage of its multi-racial society. There are many ways to live it up in Singapore. From dining at fine restaurants to relaxing at our spas or from dancing at our 'happening' night-spots to watching world-class plays, visitors will be spoilt for choices. There are numerous exciting things to experience in Singapore than you have time for.

I wish you success in this year's exhibition. And to our friends from overseas, enjoy *New Asia - Singapore*. The 'shopperholics' amongst you could not have chosen a better time to be in Singapore. We are in the midst of the Great Singapore Sale which stretches right till 9 July 2000. Get your bargain buys and get them tax free. Thank you.