

Date Published: 24 May 2011

Mr Pasquale Pistorio
My friends
Ladies and Gentlemen

I am very pleased to join you this morning at the opening ceremony of the inaugural National Energy Efficiency Conference 2011.

Energy efficiency in Singapore's industrial sector

2 Singapore is a very small city state and I do not need to emphasize that we have no natural resources and certainly no energy resources. We are almost fully dependent on oil and natural gas. The only exception being the one percent we get from incinerating our rubbish. But even that, as Andrew, CEO-NEA pushes for recycling and the amount of material that is incinerated goes down means we are even more dependent on oil and gas. And there are further complications. The fact that we are a safe harbour means alternative resources like wind and tidal energy sources are not going to be available on the table. Similarly, the fact that we have no earthquakes and volcanoes means we are not going to get geothermal sources. The point I am trying to emphasize is that we are an energy-dependent and disadvantaged small city state and our carbon footprint is therefore always going to be an issue in Singapore.

3 Having said all that, the only viable and long-term response for now anyway, will have to focus on energy efficiency. In other words, how to reduce our energy intensity. We set up very ambitious plans of cutting our energy intensity by 35% from the baseline in 2005 and we are supposed to achieve this by 2030. I understand that since 2005, we have achieved about 8% reduction in energy intensity. I would say that we are on target but we are not there yet, so there is still a lot of work to be done.

4 The industry sector in Singapore accounts for about 60% of our national energy consumption. So, like many things in life, go for the big low-hanging fruits first, and that is why we are after all of you here, the industry players. I do not think you need to be reminded that the Energy Conservation Act will come into force in 2013, that's just 2 years from now. This Act focuses on industrial facilities which consume more than 15 GWh of energy in a year. And these companies, I believe there should be several hundreds of them in Singapore, will have to appoint an energy manager who will have to be able to monitor and to report energy use to NEA, and submit realistic plans for achieving energy efficiency in the years to come.

5 In April last year, NEA, EDB and EMA launched the Energy Efficiency National Partnership, basically aimed at helping companies put in place energy management systems and implement projects to improve energy efficiency and if I may add, perhaps just as important, lower business costs. This takes added relevance when you consider

that there is going to be greater volatility in energy costs. So achieving energy efficiency is not just good for the environment, and not just good for ideological reasons but in fact, should be an integral part of business plans.

6 NEA, I believe, has organised nine workshops and one energy efficiency benchmarking study for the pharmaceutical industry and we need more of such events and occasions for best practices to be shared. Basically, what you need is a system in which you can scan the horizon for new technologies and ensure Singapore remains a test-bed for the early adoption of new technologies to improve energy efficiency. And that there is good sharing, diffusion of technologies, information and systems on how to achieve efficiency, and finally to make sure that this is not just a single company experiment but indeed, an entire ecosystem in which businesses, the NEA, EMA and EDB also cooperate in order to ensure that the national objective is achieved.

Enhanced GREET for EENP partners

7 We have the Grant for Energy Efficient Technologies or GREET for short. This is a co-funding scheme. I think we have committed \$22 million which will act as a matching incentive. And I believe, the \$22 million will be fully expended by the end of the year. Like most things in life, you need more money. So this scheme will continue and I believe the maximum funding cap will also be increased from \$2 million to \$4 million. The key message is that we will put the money where our mouth is. We will help all of you to achieve energy efficiency. The point is, we need to do this particularly in Singapore. Whilst we can provide tax rebates to incentivise companies to set up operations in Singapore, the one thing we do not do is to subsidise energy in Singapore. Again, this emphasizes that our industrial policy needs to have one key element in energy efficiency.

8 Having said that, I thank you all for being here and I look forward to hearing from Mr Pistorio. He has been a good and faithful friend to Singapore for many years. I am sure the minor surgery you had on your wrist will not affect your ability to inspire us.

Thank you.

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