

SINGAPORE GOVERNMENT PRESS STATEMENT

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SPEECH BY THE MINISTER FOR FINANCE, DR. GOH KENG SWEE,
AT THE OPENING CEREMONY OF SIMALPAN STEEL INDUSTRIES
LTD. ON FRIDAY, 24TH APRIL, 1964 AT 5.00 P.M.

I am greatly honoured to be invited today to perform the opening ceremony of the Simalpan Steel Industries Ltd. This modern plant is certainly a most valuable addition to the industries now growing up in Jurong. Since you have so ably set out problems facing your company and its future plans, I shall not say much more than congratulate all those who have contributed to the successful establishment of this modern enterprise.

I intend on this occasion to address you on the problems which are facing the Government in its effort to industrialise the State. More particularly I want to deal with development of the Jurong Industrial complex.

First may I give you an idea of the size of operations undertaken to date, in terms of areas developed or under development. Just over three years ago the whole of the Jurong area consisted of mangrove swamps and hills and forest.

Since then, under the able direction of the Economic Development Board, a prodigious effort has been mounted to level the hills, fill up the swamps, construct roads, lay power lines, build wharves and engage in all the other activities, the results of which you can see for yourself today.

At present 1,360 acres are sufficiently developed to be ready for immediate use or occupation. A further 600 acres are in the course of preparation. This gives a total of 1,960 acres which can now be used or will soon be available for use.

Of this 1,960 acres, 480 acres are set aside for various public services such as road, drains, the Jurong port area, railways and so forth. A further 120 acres have been set aside for housing. This leaves 1,360 acres available for industrial use.

Of the 1,360 acres that were available, 915 acres have been allocated to 55 enterprises, 21 in the field of light industry and 34 in the field of heavy industry. When these 55 enterprises go into production, they will provide direct permanent employment for 6,350 workers.

In addition to this, there are a further 45 applications under consideration for the use of 325 acres. This gives a total of 1,240 acres of industrial sites allocated or under consideration for allocation. So most of the 1,360 acres for industrial use have been allocated or have prospective users.

So with the massive effort that we have mounted in the last three years, we have just about managed to keep ahead of the demand. Naturally an expansion on this scale creates many problems. Last week, on the occasion of the opening of a new factory in this area, I referred to the fact that our rate of industrial expansion in Jurong has already outstripped the programme for social development and we had to mount a crash programme to make available 2,000 flats ready for occupation by the end of this year.

Today I intend to discuss two important matters which concern industrialists. These are the supply of industrial water and of electric power.

The original Jurong plan envisaged the use of the water stored up by the construction of the causeway across the Jurong river. This source should be able to provide one million gallons a day. Subsequent industrial growth has made this plan obsolete. It is necessary to produce a much larger volume of industrial water.

To this end, the Economic Development Board has prepared an industrial water project. In the preparation of this project, we are indebted to the E.C.A.F.E. for technical assistance kindly extended to us.

Under this project, effluent water from the Ulu Pandan sewerage works will be purified in a treatment plant to be situated in Jurong. Tenders for the construction of this plant had already been issued and will close on 1st June this year. We hope that the construction will be completed within 12 months from that date. Together with the treatment plant, distribution net work, pumps, generators and a five million gallons service reservoir, this project will cost \$9.8 million and in the first stage will provide 10 million gallons of industrial water per day. Subsequent extensions will bring the capacity to 20 million gallons a day. This should be sufficient for our needs for some years to come.

Without an adequate supply of power, industrial expansion cannot take place. The present installed capacity in Singapore comes to 224 mw. As you all know, power extension plans are being implemented and financed by a World Bank loan. Two 60 mw. generators should be commissioned by next year giving an additional 120 mw. capacity.

In our original plan which has been agreed with the World Bank, a further two 60 mw. generators are due to be installed by 1969/70. However as a result of the current rate of industrial expansion, these plans have to be advanced considerably.

The Public Utilities Board have examined the plans of their Electricity Department and the consultants engaged in constructing the new power plants and have agreed that the further two new 60 mw. generators should be installed by the end of 1966. In other words, the expansion will be advanced by three to four years.

So if the amended power expansion plans go into operation on schedule, this means that in just about 2½ years, we would have doubled our installed generating capacity from the present 224 mw. to 464 mw. Such a rate of expansion can have few parallels in the history of the economic development of developing countries.

I think it is a fair claim to make that the Jurong Industrial Estate has been a success. Yet its success could not have been taken for granted three years ago. I myself remember, that when weighing the odds for and against starting the Jurong scheme I was assailed by quite a number of doubts. You will recollect that at that time, the position in Singapore was not as healthy as it is now. The pro-communist front organisations were in full cry and there was no prospect during those riotous days that we could ever have achieved the rate of industrial expansion that subsequently did take place.

Therefore faced with the decision whether or not to commit substantial sums of money to open up the Jurong estate, the possibility that this whole effort might wind up as the largest white elephant in S.E.A. was one that could not be lightly dismissed. At that time no one could have guaranteed that \$20 million spent in Jurong would not result in several thousand acres of empty waste-land to be known to posterity as "Goh's Folly". That was a calculated risk which had to be taken and I am very glad that I took the decision to press ahead.

If counsels of timidity had won the day then all of us today would not have been able to attend the opening ceremony of Simalpan Steel Industry Ltd. This is a complex venture in which industrial interests of no-less than three countries are involved, Japan, Switzerland and Malaysia. I am sure you will want me on your behalf to congratulate the industrialists, engineers and workers concerned on their imagination and foresight and on the skill which had enabled them to set up

this modern plant in so short a time. You will also want me to convey our best wishes to Simalpan Steel Industry Ltd. for a successful and prosperous future.

APRIL 24, 1964.

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