

Singapore Government

PRESS RELEASE

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**SPEECH BY DR RICHARD HU, MINISTER FOR FINANCE,
AT THE OPENING CEREMONY FOR DBS HONGKONG BRANCH
ON THURSDAY, 18 APRIL 1991 AT 7.00 PM**

I am happy to be here to celebrate the official opening of the Hongkong Branch of DBS Bank. The Government of Singapore, together with other private sector shareholders, established DBS in 1968 and remains its largest shareholder. In just over 20 years, DBS has grown to become Singapore's largest bank and has also expanded internationally. DBS has been in Hongkong since 1979 when it established a deposit-taking company. The opening of a full-licensed branch reflects confidence in the future and prospects of Hongkong as part of China. It is also in line with the Singapore Government's strategy to encourage Singapore companies to seek out new opportunities in overseas markets.

Singapore and Hongkong, similar in many ways, have a special relationship with each other. Although we compete in many fields, the strategic relationship is essentially a cooperative one. Singapore is Hongkong's sixth largest export market while Hongkong is Singapore's fifth largest. Hongkong and Singapore also complement each other. Hongkong is the nerve centre for the countries of North and North-East Asia while Singapore serves South-East Asia. The two cities act as a bridge for the commercial and trade flows between the regions. If Hongkong ceases to maintain its role and fades away, the vitality of the region will be affected. It is thus in Singapore's and the region's enlightened self-interest to see Hongkong thrive and prosper in the run-up to 1997 and beyond. We are twin cities feeding on and energising each other.

A large number of Singaporeans have come to Hongkong to work, filling the gaps created by those who have left. Notwithstanding that Singapore is also in need of managerial talent, the Singapore Government has taken steps to facilitate Singaporeans working in Hongkong. A Singapore school has been established to cater to the needs of the more than 6,000 Singaporeans currently working and residing in Hongkong.

International participation, including Singaporean, in the Hongkong economy could reduce the overall business risk prior to 1997 and beyond, and would be a factor for increased stability. Investments in Hongkong could also take advantage of Singapore's strategic location, for which reason many multinationals in Hongkong are also based in Singapore. This synergy will strengthen the nexus between the two cities.

The Singapore Government will look out for investment opportunities in Hongkong, selectively in areas where Singapore Government's participation will add value. In this regard, the Singapore Government has appointed DBS Bank as its merchant banker. Other merchant banks may be appointed in the future. DBS will, as the Government's agent, receive and study proposals in addition to seeking out, identifying and evaluating investment opportunities. The DBS Bank branch in Hongkong will be the focal point for this activity. Two senior executives in DBS, namely, Mr Ng Kee Choe, Executive Vice President in charge of International operations and Mr Chow Kok Kee, Senior Vice President and Head of DBS' operations in Hongkong and China, will look after this programme.

I am hopeful that Hongkong will continue to thrive and prosper in the period to and beyond 1997 and along with it, the ties with Singapore will expand and strengthen. This will augur well for the operations of DBS Bank in Hongkong. I wish DBS Bank every success.

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