

30 NOV 1993

PRESS RELEASE

Press Division, Ministry of Information & The Arts, 36th Storey, PSA Building, 460 Alexandra Road, Singapore 0511. Tel: 2799794/5

Release No. : 23/NOV
08-1/93/11/18

93 - HR - 8

**SPEECH BY DR RICHARD HU TSU TAU, MINISTER FOR FINANCE AND
MINISTER FOR NATIONAL DEVELOPMENT,
AT MOBIL OIL SINGAPORE'S CENTENNIAL CELEBRATION DINNER
HELD AT THE ISLAND BALLROOM, SHANGRI-LA HOTEL
ON THURSDAY, 18 NOVEMBER 1993 AT 8.00 PM**

I am pleased to join you this evening for Mobil's centennial celebration dinner. I congratulate Mobil on its 100 years of partnership with Singapore.

Mobil's presence in Singapore dates back to 1893 when it first established a marketing office for its lubricants, fuels and petroleum products. It grew significantly over the years. In 1963, Mobil started construction of a modern refinery at Jurong with a crude refining capacity of 18,000 barrels per day. Its refinery has since expanded many times over to a capacity of 245,000 barrels per day. Today, Mobil's Singapore refinery is its largest outside the United States (US).

In more than 30 years of economic development, Singapore has successfully forged strong strategic partnerships with many multi-national corporations (MNCs) like Mobil. These partnerships are key contributors to Singapore's economic growth. In the 1960s, these MNCs created vital jobs for the army of unemployed Singaporeans, bolstering the government's industrialisation effort. The success of these initial foreign investments into Singapore enabled the government to build a strong industrial foundation. As a result, Singapore succeeded in attracting new investments that generated higher value-added activities, employing better educated workers and paying better wages to Singaporeans.

We are proud to have Mobil in Singapore. As it celebrates this centennial year, Mobil is clearly strengthening its

partnership with Singapore through its ongoing commitment in new investments. Mobil is constructing a S\$150 million Catalytic Hydrodesulphuriser plant to manufacture higher quality and higher value products to meet the region's growing demand for low-sulphur diesel. The government will continue to encourage and support such efforts by the petroleum industry to enhance its secondary processing capabilities.

Mobil's entry into petrochemical manufacturing activities in Singapore was marked by its current construction of a S\$1.1 billion Continuous Catalytic Reformer/Aromatics Complex. This project fits in well with the government's strategic intent to build a world-scale integrated petroleum and petrochemical hub. With these two projects, Mobil's cumulative investment in Singapore is expected to double to S\$2.4 billion, making it one of Singapore's largest corporate investors.

Mobil was the first oil company to be awarded the Operational Headquarters (OHQ) status by the Economic Development Board (EDB). Mobil's OHQ company has wide business interests stretching from the Indian Ocean to the Central Pacific and from China to Singapore, serving Mobil regional affiliates in a broad spectrum of services. The OHQ exemplifies the type of business activities being promoted to develop Singapore into a total business centre for the petroleum industry.

The petroleum industry is an important pillar in Singapore's manufacturing sector. In 1992, it contributed 13.8 per cent out of the total output of S\$76.1 billion and 7.4 per cent out of the value added of S\$1.8 billion. The government is committed to providing its fullest support to develop Singapore into a world class business base for the petroleum industry. It will continue to nurture the business and infrastructural environment for the industry to grow and enhance the capabilities of the industry to compete internationally.

To strengthen the competitive advantage of oil companies

here, the government will further upgrade the capabilities of supporting industries. The EDB initiated the Local Industry Upgrading Programme (LIUP) in 1986 to encourage MNCs to work together with their local suppliers in improving the quality and cost-competitiveness of products and services. At present, 32 MNCs and 180 local suppliers have joined and benefited from the LIUP. The success of the LIUP has encouraged the EDB to extend the scheme to other industries such as ship repair, aerospace and precision engineering.

I would like to urge oil companies to participate in the LIUP. Participation by oil companies on an industry-wide basis will help nurture and develop a core of capable local suppliers. These suppliers would be able to provide good quality and reliable products and services at competitive prices if they are able to use advanced technology and modern management methods to improve productivity. The benefits are mutual and the oil companies would ultimately improve their international competitiveness.

The government is encouraged by the long term outlook adopted by oil majors in Singapore such as Mobil. These companies are continually upgrading their operations, increasing the scope of their business activities and growing in tandem with the government's development strategies. To help the industry address the challenges of growth, competition and productivity, the government will continue to encourage and support companies' business development plans. It will also continue to improve the business infrastructure for the industry to grow and thrive.

The partnership between Mobil and Singapore has stood firm for a century. It has endured the changing environment and fortunes in this region and around the world, and has been mutually beneficial for Singapore's economic progress and Mobil's long-term business expansion in the region.

I am pleased that Mobil is starting the next century in

Singapore with strong confidence. I wish the management and staff of Mobil in Singapore continued success for the next 100 years.

**PRESENTATION OF THE DISTINGUISHED
PARTNERS IN PROGRESS AWARD**

Tonight, on behalf of the Singapore Government, I wish to present the Distinguished Partner in Progress Award to Mobil Oil Singapore - a company that is a pioneer in its industry in Singapore. Mobil's operations have evolved to encompass a wide range of products, services and activities, in line with Singapore's total business orientation.

In 1991, the EDB introduced this Distinguished Partner in Progress Award to mark its 30th anniversary. The award recognises companies which have made valuable contributions to Singapore's economic development. These contributions go beyond a company's corporate profitability; they encompass a broader participation in Singapore's social and community development.

Mobil has a 100-year history of being a good corporate citizen. For its valuable partnership with the people of Singapore, and its vision and confidence in this country, the Singapore Government is pleased to confer on Mobil Oil Singapore the Distinguished Partner in Progress Award.

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