

PRESS RELEASE

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**SPEECH BY BG (RES) LEE HSIEN LOONG, DEPUTY PRIME MINISTER
AND MINISTER FOR TRADE & INDUSTRY, AT THE SHELL CENTENARY
CELEBRATION BANQUET ON 2 SEPTEMBER, 1991 AT 8.00 PM**

Shell has been in Singapore for 100 years - a long time for a nation, and even longer for a company. This centenary year therefore marks an historic moment for Shell in Singapore.

In 1891, Shell established its first presence here with a kerosene storage facility. It was the first such facility in Singapore. Since then, Shell has repeatedly demonstrated a true pioneering spirit, both within the oil industry, as well as among other MNCs in Singapore. The 1891 oil storage facility was followed by a series of other firsts:- in 1961, its Pulau Bukom oil refinery first brought the oil refining industry into Singapore, and, in 1990, the first Long Residue Catalytic Cracker. It is thus befitting that Shell was also in 1961 the first recipient of Pioneer Status in Singapore.

ECONOMIC DEVELOPMENT OF SINGAPORE

Shell's Bukom refinery started operation in the same year as the Economic Development Board (EDB). The EDB in 1961 faced the formidable task of creating enough jobs for the growing army of unemployed Singaporeans, by generating economic growth. We have managed to achieve this and more, through a policy of rapid industrialisation driven by foreign investment. The success of the first few foreign investments into Singapore made EDB's subsequent investment promotion that much easier. EDB could then afford to be more selective and target for higher quality investments which are more capital intensive, employ better educated workers, generate higher value-added, and so pay better wages to Singaporeans.

This process has dramatically transformed Singapore, not just economically, but also politically, socially, and in terms of real standard of living for the vast majority of the population. From an economy that relied principally on entreport trade and backyard industries, we have developed and diversified into a total business centre supporting up-to-date manufacturing industries, and a comprehensive range of communications, financial, business and R&D support services.

As the Singapore economy developed, early investment projects like Shell's which had done well continued to invest and upgrade. Shell has followed a strategy similar to EDB's. Shell focussed on creating a sustainable competitive advantage by continuously upgrading and expanding its business activities. Over the last 30 years, Shell has invested over \$3 billion worth of fixed assets in Singapore. Shell is now the single largest investor in Singapore, and its Bukom refinery complex is the largest such facility in Singapore.

Besides its core activity of petroleum refining, Shell has also expanded into other fields, such as oil trading, distribution and marketing. In two days' time, Shell will officially open its \$150 million Pandan Marketing Centre. This centre is linked by 10 kilometres of pipelines to Pulau Bukom, and has an automated control system. It is a major technological feat in itself, which will bring the refinery right to the doorstep of Shell's customers.

Recently Shell acquired a 30% stake in the Petrochemical Corporation of Singapore, and invested in an isopropyl alcohol plant. This move into petro-chemicals is timely. The Asia-Pacific region currently consumes well over 12 million tonnes of petrochemical products annually. Over 40% of this is imported from outside the region. The market for petrochemicals elsewhere in the world is also expanding. The collapse of the centrally planned economies of Eastern Europe and the Soviet Union, and their eventual transformation into market economies, will increase demand for a wide range of products, including petrochemicals. Shell's investment will secure its market share in this burgeoning industry.

Continued investments and interest by MNCs such as Shell in Singapore reflects their confidence in Singapore and Singaporeans. This depends on the political stability provided by a strong Government which enjoys the backing of the electorate. The results of the General Elections last week should reassure investors that Singapore's Government continues to enjoy the support of a substantial majority of the population.

The signal would have been more positive and less ambiguous had the PAP increased its percentage of the popular vote in the General Elections, as the PAP had hoped. Such a clear endorsement by the electorate of Prime Minister Goh Chok Tong's leadership and policies would have given the Government greater confidence to press ahead with its programme. But as it was not forthcoming, we must now move cautiously and make the best of the new circumstances in which we find ourselves.

Our concern must be that politics in Singapore evolves in a constructive way. The opposition parties need to play their enlarged role constructively as a loyal opposition in Parliament. The institutions of the state, like the Presidency, the Judiciary, the Legislature, the Civil Service, SAF and Police, should be upheld, not debased. The interests of the nation must be defended by both government and opposition. Appeals to emotions based on gut issues of race and religion must be eschewed and condemned. It is an encouraging sign that Mr Chiam See Tong, now the leader of the opposition, has pledged to do so. This is the way towards long term political stability.

Seen against a perspective of 100 years, the 1991 General Elections may not loom large as a major milestone in Singapore's history. But as participants, we cannot always take such a detached view. It is the cumulative weight of successive positive political developments which binds the people into a cohesive whole as a nation. Then sustained economic growth and improvement in living standards is the more likely. This is what we have to work for.

The partnership between Shell and the people of Singapore has stood both in good stead for a century. It has endured through the changing conditions and fortunes within the region and around the world, and has been mutually beneficial - for Singapore, economic progress; for Shell, a competitive long term base for operations throughout the region.

PRESENTATION OF AWARD AND SPECIAL COMMENDATION

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

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

Shell has a 100-year history of being a good corporate citizen. It is deservedly the first company to receive this award. For its valuable partnership with the people of Singapore, its vision and confidence in this country, the Singapore Government is pleased to confer on the Shell Companies in Singapore the Distinguished Partner in Progress Award.

I will also be presenting an EDB commendation for an individual who has played a key role in the development of the oil and petrochemical industry for Shell in Singapore. Mr J M H Van Engelshoven has been closely associated with recent developments in Shell Singapore. With foresight, vision and personal commitment, he and his colleagues in the Committee of Management Directors showed their confidence in Singapore by

supporting massive investments to upgrade plants in the Pulau Bukom's refinery complex and the petrochemical complex. These investments have strengthened the Singapore economy and paid off handsomely for Shell.

The Economic Development Board is happy to recognise and commend these significant contributions of Mr Van Engelshoven.

Finally may I congratulate Shell, its management and staff for their achievements, foresight and entrepreneurial spirit. I wish you every success in the next 100 years.
