

Welcome Remarks by Mr. Andrew Khaw
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at the Forum on e-Government and Trade Facilitation, 23 – 28 January 2006

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Distinguished Country Delegates from East and Central Asia,
Friends from ADB, MFA and IDA,
Ladies and Gentlemen

Good morning:

1. It gives me great pleasure to welcome each of you, especially those who are visiting Singapore for the first time and who have travelled long distances to be with us.
2. Based on ADB data, the GDP of Central Asia rose sharply to an average of 9.9% per annum in the three-year period of 2002 to 2004. This is from an average of 6.1% in the five-year period from 1997 to 2001. Growth for the 2005 to 2007 period is expected to be another impressive 9% per year. These high growth rates reflect the ambitions of the region to leverage the high global demand for its natural resources and to invest in modernizing and reforming its business infrastructure and forge new trading partnerships.
3. In this regard, I am very glad that you have chosen to engage Singapore as part of your learning and benchmarking journey, and I am pleased to learn that this is the second time we are hosting a distinguished delegation such as yourselves in this manner. It is my personal wish that your visit to Singapore will be useful for you to gain insight on our planning philosophies as well as to appreciate the state-of-the-art solutions we are deploying to express the philosophies. As suggested by the title of the forum, we particularly hope you will benefit from our sharing of Singapore's e-government and trade facilitation experiences.

Importance of Trade to Singapore Economy

4. With our opportune strategic location at the confluence of trading routes since the days of the Chinese spice trade, Singapore's economy is traditionally outward-driven. In the last 10 years, our trade with the world has doubled and total direct investment

abroad has grown four times. IE Singapore recently announced that our trade in 2005 reached a record level of USD440 billion. As an indicator of magnitude, Singapore's trade is almost four times our Gross Domestic Product. Today, we are ranked as the 16th and 19th largest exporters of goods and services respectively in the world, alongside the likes of Switzerland and Sweden.

Importance of Integrated Trade, Customs and Security Procedures

5. Let me use the area of trade of goods to illustrate the importance of well-oiled government systems to enable global trade. In this arena, two major forces have dramatically changed the way businesses compete – firstly, commoditisation of technologies and, secondly, globalisation of production. On the former, consumers are increasingly having faster access to information and wider choice and it has become the buyers' world in most part, where price and fads drive product shelf life. On the latter, manufacturers are faced with competing products arriving at their doorstep more rapidly than they can design, tool up or turn around their own production facilities. Just to bring it closer to our hearts, the rapid decline of prices of technology-intensive consumer products such as mobile phones, DVD players and, most recently, flat panel displays, are illustrative of these forces in the trade of goods.
6. Hence, the mantra for producers of goods therefore is “speed, speed and more speed”. Increasingly, products are assembled in one country using components sourced from several others. In Singapore, for example, it is common for a company to source its critical components from other Singapore manufacturers, have its goods assembled in Indonesia and then shipped back to Singapore for final testing and packaging onto its ultimate destination in the United States. With greater reliance on just-in-time production and delivery, factors such as seamless integration of trade processes have become a priority for business. Therefore, the deployment of electronic processing systems and tools has become a way of life for economies competing on the world stage.
7. Post September 11, businesses must now also grapple with the ongoing possibility of unexpected disruption and issues of security for both personnel and property. In particular, businesses have to re-evaluate the robustness of the logistics backbone which supports their global network of operations. Singapore has also implemented tighter security measures all across the island, with strict guidelines on all visiting

vessels at our port, and more stringent access to restricted areas in the airport, amongst others.

Conclusion

8. The Singapore Government agencies have always listened carefully to the voice of investors in order to adapt our business infrastructure to their needs and keep ourselves competitive. In our highly open and globally-connected economy, such responsiveness is literally demanded of us!
9. In this regard, your hosts in Singapore are most happy to share with you the systems and practices we have put in place. This week, you will learn four specific aspects of the Singapore system: firstly, our integrated taxation and customs systems, secondly, our e-government experience, thirdly, our philosophy in urban planning, and, finally, our multi-agency border management approach.
10. All of these are essential cogs of the wheel that enable Singapore to achieve efficient movement of people and goods, a high level of security as well as operational efficiency and effectiveness.
11. IE Singapore is glad to be a partner with ADB and MFA to organize the programme for our guests from Central and East Asia. IE Singapore is responsible for helping Singapore-based companies internationalise through trade and overseas investments. IE's mandate to assist internationalizing Singapore firms is directly linked to the importance of Singapore's external economy. We will be happy to introduce business partners who can offer expertise specifically for e-government, trade facilitation and customs modernization.
12. On this note, I wish you all a fruitful and enjoyable stay in Singapore.

Thank you.