

**SPEECH BY MS GRACE FU HAI YIEN, SENIOR MINISTER OF STATE FOR NATIONAL DEVELOPMENT, AT THE FINANCIAL TIMES ASIA INFRASTRUCTURE SUMMIT , 23 MARCH 2009, 9:10 AM AT ST REGIS SINGAPORE**

**Singapore Government**  
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***“Building a Highway to Growth: The Singapore Way”***

Distinguished guests, ladies and gentlemen

**INTRODUCTION**

Good morning. It is my pleasure to join you at this inaugural Asia Infrastructure Summit this morning. To our friends from abroad, a very warm welcome to Singapore.

2. The title of the conference today is “Building a Highway to Growth”. Well, where is the growth, you may ask? Indeed, we meet under very trying circumstances today. Across the world, governments, businesses and individuals are seized with the challenges of battling the economic slowdown and tackling unemployment and hardship. Here in Asia, we are not spared from this global slowdown. The International Monetary Fund projects growth in Asia to slow significantly from 6.0% in 2008 to 2.7% this year. 2009 will be a difficult year for many of us.

**ASIA - KEY GROWTH ENGINE FOR THE WORLD**

3. Nevertheless, the longer term outlook for the region remains bright. Many observers believe that Asia has what it takes to ride out this recession. Compared to the last Asia Financial Crisis, many economies in Asia are built on much stronger economic foundations today. For instance, favourable trade balances and prudent governance over the years have enabled many Asian countries, such as China, and Japan, to build up large financial reserves. Several economies, such as Singapore, have also put in place systems since the last financial crisis to strengthen its banking and financial sectors.

4. Major infrastructure spending is also a key component of the stimulus plans for Asian countries. For instance, China announced late last year that it would spend US\$586 billion in 2009 and 2010 to construct new railways, subways and airports, and to rebuild communities in southwest China that had been devastated by an earthquake last May. India will spend US\$50 billion on infrastructure projects in the Delhi-Mumbai industrial corridor, and intends to build high-speed inter-city rail links and new airports.

5. So I have no doubt that Asia will emerge stronger from the crisis. Even in the current slowdown, Asia's projected growth rate of 2.7% this year is still the highest for any region in the world, and significantly better than the projected global growth rate of -0.5% to -1%. **And for the longer term, Asia will remain a key growth engine for the world and the centre of the global action.** Its large population presents both a productive and upwardly mobile workforce, and a massive consumer market.

## **SINGAPORE'S APPROACH TO INFRASTRUCTURE DEVELOPMENT**

6. **Here in Singapore, we are taking the opportunity of this downturn to build our own "highways" to prepare for the next phase of Asia-centric growth. And upgrading of our infrastructure is a key part of this growth strategy.**

7. Singapore adopts a long-term view towards infrastructure development. **To prepare for growth tomorrow, we believe that we must invest in infrastructure today.** We have an integrated planning system within the Government where various agencies develop a consistent land-use and infrastructure plan over the horizon of a few decades. This is to ensure that the needs of the population and economy are met in the medium to long term. All aspects of national development are co-ordinated to ensure that the infrastructure, utilities and transport connectivity are in place to provide the best support for current and new businesses based in Singapore.

8. Planning for the very long-term runs the risk of getting our plans wrong. Our plans are therefore subjected to the test of the market. We observe fiscal discipline with regard to investing in projects that can and should be undertaken

by the private sector. The Government's key roles are in allocation of our precious land resources and being a catalyst in development by providing the necessary infrastructure facilities. And because of a well-established planning framework, we have a good line of sight of the infrastructures plans that are required over the medium to long term. Our financial resources allow us to undertake the projects at the appropriate time despite the negative economic outlook. We will be investing S\$18 to S\$20 billion in infrastructure projects this year. The projects include the construction of a new International Cruise Terminal at Marina South, new roads and parks, and the upgrading of schools, sports facilities and our public housing estates throughout Singapore. We believe that these investments are worthy projects and will prepare us well for recovery and growth. These investments are not a once-off effort. In 2010 and 2011, the government will continue to invest another S\$15 to S\$17 billion each year in building and infrastructure projects.

## **REMAKING SINGAPORE TODAY FOR GROWTH TOMORROW**

**9. Looking forward, our goal is to build Singapore as a distinctive global city, a key node within a network of cities around the world.** We have thus planned our infrastructure development along two thrusts --- first, to strengthen Singapore's position as a hub for businesses and second, to enhance Singapore city as a magnet for talents. Let me elaborate.

**10. We have started to develop new growth areas, well served by infrastructure, to offer businesses a diverse choice of business locations within Singapore.** Within the city centre, Marina Bay is fast shaping up as a seamless extension of the existing downtown. It will offer a premier waterfront address for businesses, with a 24-hour live-work-play environment, excellent connectivity and an iconic skyline. Thus far, the government has already invested close to S\$5.7 billion in the infrastructure works for Marine Bay. We will invest in another S\$1 billion for infrastructural works in Marina Bay over the next 10 to 15 years.

**11.** Apart from Marina Bay, we have also embarked on developing new regional centres such as the Jurong Lake District, Paya Lebar and Kallang Riverside. These regional centres are commercial nodes serving to distribute economic and commercial activities across the island. Let me elaborate on the plans for the

Jurong Lake District. The government will be upgrading the existing Jurong East MRT station and redeveloping the bus interchange to be better integrated with the MRT. Within the next 1 to 2 years, new roads and utilities services will be built to serve future developments. Parks in the area and the Jurong Lake will be enhanced to provide a high quality environment and offer more recreation choices, including water-based activities. Other major developments include the Jurong General Hospital and the new Science Centre. When it is fully developed, the Jurong Lake District will be the biggest commercial hub outside the city centre with a unique lakeside garden setting and an abundance of recreation choices.

**12. We are also expanding our seaport and airport to enhance Singapore's connectivity and strengthen our position as a global transport hub.** Work to add 16 new berths at Pasir Panjang Terminal is now underway and the first berth is expected to be completed in 2013. At Changi Airport, the upgrading of Terminal 1 at the cost of some S\$500 million is in progress and will be completed by end-2011. Looking beyond this downturn, planning for the new Terminal 4 of Changi Airport has also begun in anticipation of future growth in air-traffic.

**13. In parallel, we are investing in infrastructure to make Singapore one of the most liveable cities in Asia.** Connectivity is the hallmark of a liveable city. We have planned for major improvements to our transport system, including setting aside more than S\$40 billion to improve the public transport system. We will double our current rail network by 2020, with the completion of the Circle Line and Downtown Line and the addition of new lines and extensions, such as the North-South Line Extension, the Tuas Extension, the Thomson Line and the Eastern Region Line. Besides new rail lines, we will also build a 21-km North-South Expressway and a 5 km Marina Coastal Expressway over the next 5 to 10 years.

**14. Many public infrastructure works are also ongoing to introduce new green and blue spaces to enhance the quality of life in our city.** We are developing new parks, developing new nature based leisure destinations, and expanding an island-wide network of park connectors. PUB, Singapore's national water authority, is putting in place a series of infrastructure enhancements to not only increase the capacity of our reservoirs, but also to transform the reservoirs and waterways into active water bodies with activities such as canoeing and water-skiing. In Punggol, a 4.2 km waterway is being created to realise the vision

for Punggol as a waterfront town. Works have just started on the construction of the waterway and the 10m landscaped promenade on both sides of the waterway.

**15. So amidst the current economic turmoil, a new Singapore city is fast taking shape, quietly but surely.** For instance, several developments around Marina Bay – such as a new vehicular and pedestrian bridge with a unique double-helix design, a new Art Park and waterfront promenade --- will be ready as early as 2010. In the next few years, the Gardens by the Bay – a mega 54ha waterfront Garden at the heart of Marina Bay -- along with the Marina Bay Sands Integrated Resort and the Marina Bay Financial Centre, will be completed. By then, Singapore will have a new downtown and a waterfront hub for financial and business services that can offer an exciting “live-work-play” destination for all. As our various infrastructure plans take shape, Singapore will be remade within the next five to ten years. **It will be a new city thriving with new opportunities.**

## **ASIAN CITIES PREPARING FOR GROWTH**

16. Singapore is not alone in this effort to upgrade its infrastructure to prepare for growth tomorrow. Many cities in Asia are also planning for major infrastructure developments to cater to the needs of a larger population and an expanding economy in the future. And both the public and private sectors in Singapore are actively participating in the development of these cities.

17. The Sino-Singapore Tianjin Eco-city in China is a good example. Following the success of Suzhou Industrial Park as a development model of the '90s, Tianjin Eco-city is a G-to-G project of the Singapore and the China Government for the 2010s and beyond. It is located in the Bohai Rim region, which has been identified by the Chinese Government as a third growth engine for China, after the Yangtze River and Pearl River Deltas. The Governments of Singapore and China are jointly developing a 30 sq. km large city as a model of sustainable development for China.

18. Following the groundbreaking ceremony in September 2008, the construction of the start-up area has begun. Various key infrastructure projects to be implemented over 3 to 5 years include a light-rail transit line to link the Eco-city to Tianjin City and surrounding districts, a pneumatic waste collection system for

the Eco-city, a new wastewater treatment plant to upgrade the water quality, and major rehabilitation works for existing water bodies to enable high-end residential projects to be developed by the waterfront.

19 The Tianjin Eco-City will set a new benchmark for environmental performance in China. The quality of the water in the Eco-city will be improved and made potable off the tap - a first in China. All buildings in the Eco-city will also be built to comply with green building standards based on China's national standards but adapted to suit Tianjin's conditions. We are also working with the Tianjin Municipal Government to promote the use of renewable energy in the Eco-city. Indeed, the Tianjin Eco-city presents tremendous opportunities for infrastructure development.

## **CONCLUSION**

20. This Summit is therefore timely in facilitating a strategic conversation among senior regulators, developers, investors, bankers and planners from across Asia on the immense opportunities and challenges in infrastructure development facing emerging and developed economies within Asia. I would like to congratulate the Financial Times for its vision in initiating this landmark regional summit. Singapore is indeed honored to host this inaugural conference. I am confident that this Conference will provide us valuable insights as we collectively build a more prosperous and vibrant region for tomorrow. I wish all delegates and visitors a fruitful time at this conference and I hope you all enjoy your stay in Singapore.

Thank you.