

SPEECH BY MRS LIM HWEE HUA, MINISTER IN PRIME MINISTER'S OFFICE,  
SECOND MINISTER FOR FINANCE AND TRANSPORT, AT OFFICIAL  
OPENING OF CARGOTEC'S NEW BUILDING, 25 FEBRUARY 2010, 3:50 PM AT  
15 TUKANG INNOVATION DRIVE, SINGAPORE

Mr Mikael Mäkinen, President and CEO, Cargotec Corporation  
Your Excellency Ms Satu Mattila, Finland's Ambassador to Singapore  
Ladies and gentlemen  
A very good afternoon

## **Introduction**

1. I am happy to join you today for the official opening of Cargotec's new building. I understand that this building will house Cargotec's management serving the Asia-Pacific region, as well as the company's new regional logistics hub. This investment will further strengthen the strong partnership that Singapore has enjoyed with Cargotec since 1975.

2. Cargotec has been an important partner to Singapore. Cargotec has significant operations here, employing some 460 staff. Besides serving as the company's logistics hub, Singapore is also the base where Cargotec's marine business division manufactures state-of-the-art offshore cranes and winches under the MacGregor brand. In addition, Cargotec's terminal business division provides container handling solutions to Singapore's port terminals under the Kalmar brand.

## **Marine and Offshore Industry**

3. Cargotec has shown great commitment to Singapore, consistent with the commitment of the Singapore Government to growing the marine and offshore industry. We have reasons to be optimistic about the future of this industry in Singapore. The concentration of shipbuilding has been shifting to Asia over the last 20 years in line with economic growth of the region. According to the Lloyd's Register, 93% of the global class order-book in 2009 was contracted to shipyards in Asia. More maritime companies are growing their footprint in Asia.

4. Singapore has benefited from this shift. From 2004 to 2008, the marine and offshore industry registered an impressive compounded annual growth rate of over 30% with an output of about S\$20 billion in 2008. In addition, we continued to dominate the construction of jack-up rigs and in FPSO (or Floating Production, Storage and Offloading) conversions.

5. We are not resting on our laurels but are taking steps to further reinforce our position as a world-class marine and offshore hub. One area that we are paying close attention to is how to facilitate productivity growth in the marine and offshore industry. For example, we are developing new yard facilities in Singapore which will feature revolutionary, work-effective and efficient concepts and layouts. Capitalising on state-of-the-art technology and optimising operations, Singapore yards will be well-positioned to extend our lead in the marine and offshore industry.

6. At the same time, we are also making efforts to grow our R&D capabilities. There are areas where Singapore can lead the way, such as in deepwater and harsh environmental technologies. The development of strong R&D capabilities will

complement the growth of the marine and offshore industry and generate new leadership positions for Singapore in niche sectors. We are keen to attract companies that are strong in R&D such as Cargotec to establish operations here.

7. Your expanded presence in Singapore also adds to the vibrancy of the broader maritime scene. As an increasing number of industry leaders such as Cargotec continue to establish and augment their activities here, we will generate a buzz that helps attract other related businesses to Singapore. In so doing, we will create a virtuous spiral that will further entrench Singapore's position as a global maritime hub.

### **Conclusion**

8. In closing, I would like to congratulate the management and staff of Cargotec on the opening of your new building. We see Cargotec's increasing presence in Singapore as a strong endorsement of our growing role as a "Home for Business" in Asia. I would like to express our appreciation for your continued trust and confidence in Singapore.

9. I wish Cargotec continued success in Singapore.

10. Thank you.