

**KEYNOTE ADDRESS BY DR KOH POH KOON
MINISTER OF STATE FOR TRADE AND INDUSTRY
IE WORLD BANK BUSINESS OPPORTUNITIES FORUM
ON WEDNESDAY, 29 JUNE 2016, 10 AM, IE SINGAPORE**

Mr. Lee Ark Boon, CEO, International Enterprise Singapore

Mr. Cledan Mandri-Perrott, Head of Infrastructure Finance and Public Private Partnerships, World Bank Group

Distinguished Guests;

Ladies and Gentlemen.

Introduction

1. Good morning. I am pleased to join you at the inaugural IE World Bank Business Opportunities Forum. This forum builds on the strong partnership that IE Singapore and the World Bank have in the development of the infrastructure eco-system. It reflects their commitment to improving Singapore business access to global infrastructure sector opportunities.
2. The infrastructure sector has enormous growth potential. Over the next decade, global demand for infrastructure is expected to strengthen on the back of rising urbanisation and growing middle class. Global infrastructure spending is expected to rise in tandem, from US\$4 trillion in 2012 to US\$9 trillion in 2025. Much of this spending will be made in emerging Asia, where there is particularly strong demand for energy, healthcare, transport, water and sanitation infrastructure.

Collaboration with Multilateral Development Banks

3. Multilateral Development Banks (MDBs) like the World Bank play a critical role in unlocking such opportunities for businesses. In particular, the World Bank with its strong financing capabilities is able to help address infrastructure financing gaps faced by many emerging economies. With its expertise in structuring projects, it is also able to catalyse bankable projects with private sector involvement.
4. Singapore has worked closely with the World Bank Group to jointly set up the Global Infrastructure Facility here last year. This platform, which

operates jointly out of Singapore and the United States, facilitates the preparation and structuring of complex infrastructure public-private partnerships globally, and enables the mobilisation of private sector and institutional investor capital.

5. We are also honoured to host the World Bank Group's first Infrastructure and Urban Development Hub. Their expanded presence here offers opportunities for meaningful integration of the World Bank's functions and Singapore's expertise in infrastructure and urban solutions. These complementary localised strengths will help create a larger pipeline of bankable infrastructure opportunities for companies based here.

Opportunities for Singapore Companies

6. Last year, the World Bank approved over 300 projects worth US\$42.5 billion across the world, with a good number of these within the region. In terms of project value, the leading segments included energy, healthcare, transport, water and sanitation. The information, communications and technology segment, while still a niche area, is also showing good potential with a rising number of pipeline projects.
7. Companies in Singapore are well placed to capture these deals. As a global financial hub, we have a critical mass of financial institutions that offer infrastructure financing options for projects structured out of Singapore. In addition, our infrastructure players have deep expertise across the infrastructure value chain, and strong familiarity with the operating environment in regional markets.
8. I am encouraged that a good number of World Bank projects have been won by Singapore companies, including several SMEs. Let me share 3 examples of companies in Singapore that have made successful bids for World Bank contracts:
 - a. Diamond Energy, is a Singaporean company providing smart energy solutions. It was selected by the Electricity Regulatory Authority of Vietnam to design, implement and manage a pilot energy demand response program for power corporations in Ho Chi Minh City. This was the first Demand Response Project to be delivered in Vietnam.
 - b. Power Automation, a leading Singaporean company in power system control and substation automation, supplied a Supervisory Control and Data Acquisition (SCADA) Distribution Management System to Vietnam Electricity

Southern Power Corporation. The system allowed Vietnam Electricity Southern Power Corporation to monitor and control the entire distribution network and improve the reliability and safety of the supply network.

- c. Meinhardt, one of the world's leading engineering consulting companies, was awarded a contract to help upgrade basic infrastructure in 6 low income cities in the Mekong Delta Region. This will help to improve the living conditions of the poor in the selected cities.
9. I am confident that in time to come, there will be more of such success stories for Singapore companies, including from some of you here. But we need to position ourselves well for such opportunities. Preparing your company for a development tender is a different process from negotiating a business to business (B2B), or even a business to government (B2G) deal. Time and resources will have to be expended to strengthen your competitiveness, and capture scalable opportunities in the infrastructure space.

Strong Government Support for the Infrastructure Sector

10. To boost Singapore's competitive edge in the infrastructure sector, the Government has been working on a number of initiatives to deepen support for the sector.
11. First, in terms of financing, the Monetary Authority of Singapore has been working with banks to develop infrastructure as an asset class, and harness more private capital to support the infrastructure financing needs of our companies. IE Singapore has also signed Memorandum of Understanding (MoUs) with the China Construction Bank (CCB) and Industrial and Commercial Bank of China (ICBC) to support Singapore and China companies in infrastructure projects. These will enhance the overall infrastructure financing ecosystem and better match projects to available capital.
12. Second, to facilitate greater collaboration amongst companies, IE Singapore has been organising an Asia-Singapore Infrastructure Roundtable series for the past three years, with the sixth round slated for October this year. This platform brings together project sponsors, potential developers, financiers and advisory companies to share pipeline projects and business opportunities.

13. Third, Singapore is committed to develop local talent in the infrastructure sector. IE Singapore has been running an annual internship programme, which gives university students opportunities to work for local infrastructure companies across the value chain. I welcome more companies to come on board this scheme to help develop future talent for this sector. In addition, IE Singapore has worked with the National University of Singapore to develop a Master of Science in Project Management, with a specialisation on project finance. Graduates from this programme will add to the talent pool needed to support our infrastructure companies' internationalisation ambitions.

Conclusion

14. In closing, I would like to thank the World Bank Group and IE Singapore for co-organising this forum for our companies. I hope this will foster closer collaborations between the World Bank Group, the Singapore Government and local businesses in the infrastructure space.
15. With that, I wish all of you a productive and fruitful session ahead.

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