

INTERNATIONAL ENERGY EXPERTS ENDORSE SINGAPORE'S ENERGY POLICIES AND STRATEGIES

1. The Ministry of Trade and Industry's International Advisory Panel (IAP) on Energy has endorsed Singapore's energy policy framework to maintain a good balance among the objectives of economic competitiveness, energy security and environmental sustainability. The IAP, meeting in Singapore over the last two days (2-3 November 2008), brought together prominent international energy executives and thought leaders to discuss the opportunities and challenges facing Singapore in a carbon-constrained world.
2. The IAP noted that higher energy prices, heightened energy security concerns and climate change were new challenges and opportunities within the rapidly changing global energy environment. The IAP explored ways to grow our energy industry and advance our energy research and development (R&D) efforts within this context. The IAP members also had separate discussions with the Prime Minister and the Minister Mentor during their stay in Singapore.
3. The IAP agreed that the liquefied natural gas (LNG) project was a step in the right direction to diversify our natural gas sources, and adopt a cleaner fuel for power generation. It also suggested that Singapore review the use of alternative low-carbon energy solutions and their feasibility for Singapore.
4. The IAP recommended that energy efficiency should be a strategic priority for Singapore. It endorsed Singapore's adoption of energy efficiency in power generation, industry, transport, buildings and households. Singapore can do more to manage energy demand, and encourage households and industries to conserve energy and use it more efficiently. Singapore should also explore how to adapt our grid infrastructure to facilitate innovations for more optimal use and supply of energy, including distributed power generation.
5. The IAP noted that the Government had a vital role in ensuring that our energy markets functioned competitively. It expressed strong support for Singapore's market-based approach to the energy industry. The IAP agreed that energy should be priced to reflect its true cost to end-users which includes externalities such as environmental costs. Subsidies would lead to wasteful consumption.

6. The IAP emphasised that Singapore's existing strengths such as a good education system with a science and technology focus, a highly skilled labour force, and strong Government support have positioned us well to exploit opportunities in clean energy manufacturing, services and R&D. Our quality of life also makes us an attractive destination for international talent to support the clean energy sector.

7. In particular, the IAP endorsed Singapore's strong push and investment into energy R&D as a way to meet the twin challenges of energy security and sustainable development. It emphasised the importance of a systems approach that strengthens the linkages across the R&D ecosystem among government agencies, universities, research institutes, and the private sector. The IAP noted that Singapore's small size and nimbleness makes it an excellent test-bedding location for environmentally sustainable urban solutions with export potential.

8. The IAP suggested that Singapore explore the electrification of transport as one possible urban solution in the energy sector. This would be an integrated solution, with supporting infrastructure, that would leverage on Singapore's clean energy R&D, testbedding, manufacturing and services capabilities.

9. Mr S Iswaran, Senior Minister of State for Trade and Industry who is the Chairman of the IAP said, "The IAP has offered fresh insights to enhance our energy policies. While the energy landscape ahead is challenging, the IAP's views and recommendations will allow us to harness the opportunities to grow our energy sector while ensuring our energy security and environmental sustainability."

MINISTRY OF TRADE AND INDUSTRY
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