

**SPEECH BY MR S ISWARAN, MINISTER IN THE PRIME MINISTER'S OFFICE,
SECOND MINISTER FOR HOME AFFAIRS AND TRADE AND INDUSTRY,
AT THE UK NORTHERN POWERHOUSE BUSINESS SEMINAR,
AT UNILEVER FOUR ACRES CAMPUS (SINGAPORE),
ON WEDNESDAY, 29 JULY 2015, 10.00AM**

The Right Honourable David Cameron, Prime Minister of the United Kingdom,

Mr James Bruce, Chief Financial Officer, South East Asia & Australasia, Unilever,

Mr David Kiu, Vice President, Sustainable Business and Communications, Unilever,

Distinguished Guests,

Introduction

1. I am pleased to join you this morning for the UK Northern Powerhouse Business Seminar. Let me first extend a warm welcome to Prime Minister Cameron and his distinguished delegation to Singapore. Prime Minister, I understand that this is your first official overseas visit outside of Europe after your party's resounding success in the recent UK General Elections. And, it is timely given the rise of Asian economies, the advent of the ASEAN Economic Community, and the celebration of Singapore's Golden Jubilee.

2. Prime Minister Cameron has described how our bilateral relations have grown from strength-to-strength. I could not agree more. In the recent decade¹, our bilateral trade increased two-fold to £7.5 billion (S\$16 billion). The UK is now Singapore's 4th largest trading partner in Europe and Singapore is the UK's largest in ASEAN. Our cultural and people-to-people ties are strong. Our museums have frequent exhibition exchanges and Singapore's National Heritage Board and the British Museum are working to bring the *Treasures of the World* exhibition to Singapore later this year. Close to 6000² Singaporean students are either studying in the UK or enrolled in distance learning courses in the UK.

3. When Singapore gained independence, we built on the strengths we inherited as a former British trading post. We embraced free trade, upheld the rule of law, adopted English as our common working language, and welcomed international companies.

4. Our complementary strengths make us natural partners. But what makes our partnership flourish? New opportunities we can tap on, coupled with confidence in the ability to deliver.

Singapore and the UK have Complementary Strengths

5. Our companies have leveraged each other's expertise to develop industry capabilities, expand into third markets, and nurture future business leaders.

¹ From 2002 to 2012.

² Unesco Institute for Statistics. 2012. <http://www.uis.unesco.org/Education/Pages/international-student-flow-viz.aspx>. Retrieved on 28 Jul 2015.

6. Research and Development is one example. Rolls Royce and Singapore companies have embarked on pre-competitive research in aviation technologies and solutions. This has enabled them to share the risks of developing new technology, and in turn strengthened the capabilities of the industry.³

7. In manufacturing, Poeton Industries, a surface coating company in Gloucester has expanded into Southeast Asia through a joint venture with a Singapore company ATC. ATC-Poeton now provides wear and corrosion resistant coatings to many industrial sectors in the region.

8. Talent development is yet another dimension in our bilateral economic cooperation. These premises are, in fact, Unilever's first and only global leadership development centre outside London. Tapping on Singapore's network of academic institutions, it is well-positioned to nurture business leaders with an Asian perspective.

9. The common thread running through these partnerships is their forward-looking emphasis on innovation, quality and talent as the basis for value creation. Our companies constantly seek new ways to improve, always scanning the horizon for the next wave of opportunities that they can seize.

New Opportunities for Our Companies

10. The Northern Powerhouse is one such opportunity with which Singapore is already somewhat acquainted. CDL, Singapore's largest international hotel group already has operations in Manchester, Newcastle and Sheffield⁴. Sembcorp's first overseas Energy-from-Waste facility is located in Teesside⁵.

11. The UK government's economic development plans for the Northern Powerhouse will certainly further pique the interest of our businesses. In particular, partnerships in the areas of transport solutions, engineering, as well as port and airport management services can be of mutual benefit. There is also scope to deepen our R&D collaborations.

12. Conversely, in Singapore's immediate neighbourhood, ASEAN's growing middle class and rapid urbanisation present compelling opportunities. Regional economic integration efforts like the ASEAN Economic Community, the Regional Economic Cooperation Partnership (RCEP) and the Trans-Pacific Partnership (TPP) would further enhance this value proposition.

³ Rolls-Royce is a key member of A*STAR's 17-member Aerospace Consortium. This consortium allows companies to collaborate on pre-competitive research in aviation technologies, develop new products, processes and solutions in aviation engineering, and improve performance, safety and productivity. The six Singapore companies in this consortium are ST Aerospace, SIA Engineering Company, Defence Science & Technology Agency, Flight Focus, Addvalue Technologies, and TruMarine.

⁴ The Millennium & Copthorne Hotels group has hotels in Manchester, Newcastle, and Sheffield.

⁵ Middlesbrough.

13. The EU-Singapore Free Trade Agreement (EUSFTA) will also help strengthen the longstanding economic linkages between Singapore and Europe. With the EUSFTA, British companies in Singapore, whose supply chains span across ASEAN, will benefit from the regional cumulation provisions in the EUSFTA rules of origin regime.

14. I understand that Bradford Brewery and Leeds Brewery recently created a special 'Northern Powerhouse' beer. That brew, if exported to Singapore, will not only lift spirits but also enjoy zero tariffs under the EUSFTA.

15. The EUSFTA will create new opportunities for British and Singapore companies in each other's markets and in the growing economies of our respective regions.

Confidence

16. In 1819, Sir Stamford Raffles had astutely recognised the value of Singapore's strategic geographical location as well as our natural harbour. Today, nearly 2 centuries later, Singapore's value proposition extends well beyond that – as the sizeable cohort of British-owned companies in Singapore can attest to.

17. In turn, Singapore's confidence in the UK is evident in our growing stock of investments. The stock of our direct investments into the UK now stands at close to £25 billion (S\$50 billion).

Conclusion

18. Given our historical ties and complementary strengths, the UK and Singapore can work together for mutual benefit in ASEAN, Europe and beyond. We have many channels for cooperation, and today's seminar is one such avenue for our businesses to explore new opportunities. We look forward to further deepening our economic ties with the UK in the coming years. Thank you.