

Singapore

An update from the
Singapore Embassy

OCTOBER / NOVEMBER 2005

Singapore 2006: Global City, World of Opportunities

Come September 2006, about 16,000 delegates and visitors from 184 countries are expected to converge on Singapore to attend the largest international conference ever hosted here. That conference is the Annual Meetings of the Boards of Governors of the International Monetary Fund (IMF) and the World Bank (WB) Group.

Along with the Annual Meetings, over 200 meetings and seminars will also take place from September 13 to 20, 2006. These include the G-7 Finance Ministers' Meeting, the Program of Seminars, the Per Jacobsson Lecture and the Group of 30 International Banking Seminar.

The Annual Meetings, together with the series of prominent international forums, meetings, seminars, events and the inaugural Singapore Biennale 2006, are collectively known as "Singapore 2006". A visual arts extravaganza and the first international biennale in

the region, Singapore Biennale 2006 is the anchor cultural event for "Singapore 2006", and features works by international artists at exhibition sites around the island city state.

"Singapore 2006" is a showcase of our aspirations for the future — a global city with a world of opportunities. The series of events will highlight Singapore as a cosmopolitan society, and a dynamic, well-connected and entrepreneurial economy with tremendous opportunities in the financial, business, technology, social as well as arts and culture arenas.

"Singapore 2006" is expected to attract heads of government, finance ministers, central bank governors, top financiers, business leaders and the international media.

The Annual Meetings were last held in Asia in 1997, when Hong Kong played host. "Singapore 2006" will therefore be an opportune platform for Singapore and Asia to demon-



Delegates at the IMF-WB Annual Meetings in Washington, DC visited the "Singapore 2006" publicity booth at the World Bank Main Atrium.

strate the economic development and structural reforms that have taken place across Asia since the Asian financial crisis erupted in 1997.

Preparing for Singapore 2006

Leading Singapore's high-level delegation to the recent IMF-WB Annual Meetings in Washington, DC, was Minister Raymond Lim, who is Second Minister for Finance and Foreign Affairs. Accompanying him were Deputy Chairman of the Monetary Authority of Singapore and Minister for Education, Mr. Tharman Shanmugaratnam, Minister of State for Finance and Transport, Ms. Lim Hwee Hua, and other senior officials.

Besides attending the various IMF-WB meetings, there

was an additional item on the Singapore delegation's list of important things to-do. This was to take note and learn from Washington, DC, how the event is organised and handled in preparation for the IMF-WB meetings to be held in Singapore next year.

"We're going around looking at all the different logistics, different organisations... picking up tips along the way on how to get the meetings done in a very good and efficient manner," said Minister Lim Hwee Hua. Given the world's increasing focus on Asia, Ms. Lim said that hosting the event, with its high cost and complex logistics, should be seen as an investment with short and long term benefits for the region.

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DPM Wong Kan Seng Visits Washington DC

Newly appointed Deputy Prime Minister Wong Kan Seng made a working visit to the U.S. in November which included stops in Washington, DC and Las Vegas, NV. DPM Wong, who is also Minister for Home Affairs, met Secretary of Homeland Security Michael Chertoff and other key U.S. officials to discuss homefront security and casino regulation issues.

DPM Wong also met Singaporeans living and working in the DC area over dinner at the Singapore Embassy. He briefed the Singaporeans on political and economic developments in Singapore and Asia, efforts taken to contain the possibility of an avian flu outbreak and counter-terrorism measures taken by the Singapore Government. This was followed by a lively Q&A session.

DPM Wong Kan Seng chatting with some Singapore students studying in Washington.



Lucasfilm Opens Animation Studio in Singapore

Lucasfilm, the company of legendary George Lucas, creator of the “Star Wars” saga, has opened an animation studio in Singapore to produce television shows and feature films for the

global market, particularly Asia.

The Singapore operation, called Lucasfilm Animation Singapore, is owned by Lucasfilm, with a small portion of the equity held by two Singapore partners — digital products maker Creative Technology Ltd., and EDB Investments, which is an arm of the Singapore Economic Development Board.

The more than 40,000 square-foot studio is equipped with high-performance computers for making video games and visual effects and currently staffed by 35 people from 19 countries, including the U.S., Sin-

gapore, Australia, Germany, India and Japan.

“What we are trying to achieve here is to blend Eastern and Western sensibilities to create a whole totally different art form for television,” said Micheline Chau, president and chief operating officer at Lucasfilm.

Dr. Vivian Balakrishnan, Singapore’s Minister for Community Development, Youth and Sports and Second Minister for Trade and Industry, said the launch of the studio “is a huge boost for our growing digital animation industry”.



Minister Vivian Balakrishnan (left) congratulating Ms. Micheline Chau, president and COO at Lucasfilm, at the opening of Lucasfilm Animation Singapore.

See You Next Fall at Singapore 2006!

Over 2,000 delegates to the IMF-WB Annual Meetings held in Washington DC in late September visited the "Singapore 2006" publicity booth at the World Bank Main Atrium. They were treated to a colourful visual display showcasing the cultural diversity and richness of Singapore with interactive media featuring a vibrant global city that embodies both tradition and modernity. Visitors were also



given goodie bags filled with traditional "kaya" jam made from coconut milk as well as a designed-in-Singapore "Stikfas" toy and other unique souvenirs.

The booth, designed by a Singapore company

Citigate Su Yeang, was based on the theme of "Welcome to our home Singapore". The cosy setting conveyed Singapore's warm hospitality and presented a personal invitation for international delegates to visit our tropical and cosmopolitan city state. Friendly Singapore staff attended to queries ranging from hotel accommodation to exciting tours in Singapore and the region. Strategically located in the heart of Asia, and with a total of 83 airlines flying to 178 cities in 57 countries, Singapore serves as a springboard and provides easy access for international travellers to the region and beyond.

The overwhelmingly positive response from the visitors was very encouraging with many commenting that the booth invoked fond memories of their past trips to Singapore and that they were looking forward to the Annual Meetings in Singapore.



Singapore 2006
International Monetary Fund
World Bank Group
Boards of Governors Annual Meetings

Singapore Raises Economic Growth Forecast

Singapore's **Ministry of Trade and Industry (MTI)** has revised its full-year economic growth forecast to around 5 percent, up from the previous estimate of 3.5 – 4.5 percent. MTI revised its forecast after the economy grew at a faster-than-expected 7 percent in the third quarter as a result of a surge in biomedical output.

MTI also reported that manufacturing activity in the third quarter expanded at more than twice the rate in the second quarter. In addition, the services sector grew 5.5 percent, while the electronics sector grew at 3 percent.

For next year, MTI is forecasting growth of between 3 and 5 percent.

Singapore Investment in U.S. Climbs

Singapore's direct investments in the U.S. have increased the past two years, according to figures release by the **U.S. Chamber of Commerce**.

The Commerce Department statistics show that Singapore's cumulative investments in the U.S. were US\$1.5 billion in 2003 and US\$1.8 billion in 2004.

Johns Hopkins Singapore Expands Medical Services

Johns Hopkins Singapore (JHS) has opened its new, expanded medical centre at Singapore's **Tan Tock Seng Hospital**. The new facility has double the floor space of its former location

and can treat up to 50 percent more (or 750) new patients each month. It currently treats 400 to 500 new patients monthly.

Although the facility offers only cancer treatment now, it plans on expanding to treat respiratory and gastrointestinal problems, surgery and infectious diseases.

JHS was established in 2000 and is home to the first Johns Hopkins medical facility outside the U.S.

Growing Asia Demand for US Electronics

Two California-based companies are expanding their Asia-Pacific headquarters to further tap into the growing Asia market.

Xilinx, the world's top supplier of programmable logic devices, has announced plans to construct a facility in Singapore to house its Asia-Pacific headquarters, which supports Xilinx's operations in 13 countries across the region. The facility also will enable Xilinx to expand the capacity of its current testing and manufacturing facility.

In addition, **Linear Technology**, a designer and manufacturer of semiconductors, announced it is setting up its second chip testing plant in Singapore. "Given the excellent conditions for growth in the region, as well as the skill and dedication of our employees here, Singapore will remain as the headquarters and focal point for all Linear Technologies activities in Asia," said Mr. Robert Swanson, Linear's chief executive officer.

Growing Singapore's Trade Networks — Part 2

Following the conclusion of the U.S.-Singapore Free Trade Agreement (FTA) in 2003, Singapore continues to expand its network of FTAs. With these new FTA bridges, Singapore expands its economic space and enhances its status as a key node, with links to major economies in the global network. Last issue, we looked at two FTAs in-progress between Singapore and India, and ASEAN and China. This issue, we will delve into the Singapore-Jordan FTA, the Trans-Pacific Strategic Economic Partnership and other FTAs in the pipeline.

Trans-Pacific Strategic Economic Partnership

The Trans-Pacific Strategic Economic Partnership Agreement (Trans-Pacific SEP) is an FTA linking Brunei, Chile, New Zealand and Singapore. The substantive conclusion of the Trans-Pacific SEP was announced by the trade ministers of Brunei, Chile, New Zealand and Singapore on June 3, 2005.

The Trans-Pacific SEP is the first FTA that spans three continents, and it is hoped that by deepening the economic linkages between Brunei, Chile, New Zealand and Singapore, the Agreement will form one of the building blocks towards increased engagement across the Asia-Pacific.

The Trans-Pacific SEP is Singapore's first FTA with a South American country. It also builds on our existing FTA with New Zealand and both countries have sought, where possible, to improve on the commitments made

under the Closer Economic Partnership Agreement signed between New Zealand and Singapore on November 14, 2000.

An ambitious and high-standard FTA, the Trans-Pacific SEP will serve to complement the WTO and hasten progress towards global trade liberalisation. The accession of like-minded parties such as Brunei to the Agreement demonstrates the potential of the Trans-Pacific SEP to grow into a larger strategic agreement for trade liberalisation.

Chile, New Zealand and Singapore signed the Agreement on July 18, 2005, while Brunei signed the Agreement in early August 2005. The Parties are targeting for the Agreement to enter into force on January 1, 2006, after they have completed their respective domestic processes.

Key Elements of the Trans-Pacific SEP

- The Trans-Pacific SEP covers trade in goods, rules of origin, trade remedies, sanitary and phytosanitary (SPS) measures, technical barriers to trade (TBT), trade in services, government procurement, customs procedures, intellectual property, temporary entry of persons, competition, institutional provisions and dispute settlement. There is also a chapter covering cooperation in fields such as education, primary industry, culture and science & technology.
- In parallel with the negotiations for the Trans-Pacific Strategic Economic Partnership Agreement, the four countries also agreed to have a Memorandum of Understanding (MOU) on Labour Cooperation and an Environment Cooperation Agreement.
 - The MOU on Labour Cooperation will enable the countries to work closely together on labour and HR issues and provide opportunities for the countries to share views and experiences on these issues, with the objective of promoting and enhancing the well-being of workers in the four countries.
 - The Environment Cooperation Agreement will enable the countries to work closely together on environment issues of mutual interest and provide opportunities for the countries to share views and experiences on these issues.

Other FTAs in the Pipeline

Beyond the two FTAs highlighted above and the two highlighted in the previous issue, Singapore's FTA network will expand further with the anticipated coming into force of a few other FTAs in the next few months. These include the Korea-Singapore FTA and the Panama-Singapore FTA, which have both been concluded and are currently at various stages of completing their respective domestic legal and administrative procedures.

Singapore-Jordan FTA

The Singapore-Jordan FTA (SJFTA) was signed on May 16, 2004, after five rounds of negotiations. The Agreement entered into force on August 22, 2005.

The SJFTA is Singapore's first FTA with a country in the Middle East and Jordan's first FTA with a country in Asia. It covers trade in goods and services, as well as economic cooperation, whilst investments are covered by a separate Bilateral Investment Treaty (BIT). The SJFTA and the BIT are comprehensive and encompass a broad range of economic activities, which will facilitate the flow of goods, services and investments between the two countries and beyond. The agreements also provide an institutional platform for increasing economic engagement between Singapore and Jordan, and will deepen Singapore's links with the Middle East.

Highlights of the Singapore-Jordan FTA

- Under the SJFTA, Singapore eliminates tariffs on 100 per cent of all goods of Jordan origin. Jordan will eliminate its duties on 97.5 percent of all goods of Singapore origin within ten years from entry into force of the SJFTA. Businesses can therefore benefit from reduced cost burdens resulting from tariff elimination.
- Singapore is the second country after the U.S. to sign an agreement with Jordan that covers the liberalisation of trade in services. The SJFTA allows Singapore service suppliers to enjoy preferred access in the areas of R&D, advertising, convention and services incidental to manufacturing. The benefits of the SJFTA will extend to Singapore citizens, permanent residents, local companies, as well as foreign MNCs with substantive businesses operations in Singapore. In turn, service suppliers in Jordan would also be guaranteed access to Singapore's markets, including the areas of R&D, computer, tourism and distribution services.
- The disciplines under the BIT include both the traditional disciplines of investment agreements like national treatment, expropriation and compensation, as well as more advanced provisions such as access to investor-to-state dispute settlement.

World Cyber Games Grand Finals in Singapore

More than 700 "gamers" from 67 countries converged on Singapore in November for the fifth World Cyber Games Grand Finals. Held at Singapore's Suntec City Convention Centre, the world's largest cybergaming tournament ran for four days with more than 1,000 matches played in the eight official games for a share of the US\$435,000 prize pool.

The U.S. team won the most medals and the Singapore economy got a boost with a projected US\$31.5 million earned in tourism spending, including spending from the 300 international journalists who travelled to Singapore to cover the event.

Cybergaming is big business, and getting bigger. The worldwide interactive entertainment market is projected to grow from about US\$16.8 billion this year to around US\$25 billion in 2010, according to the latest forecasts from research firm

DFC Intelligence.

"The Asia-Pacific is touted to be one of the fastest growing markets for gaming and Singapore has expertise to be the regional hub for it," said Mr. Quek Swee Kuan, director of the Singapore Economic Development Board's Infocomms and Media Cluster.

Dr. Vivian Balakrishnan, Singapore's Minister for Community Development, Youth and Sports noted that the number of professional gamers in Singapore is growing, which will help the island-nation achieve its vision of developing Singapore as a hub for the games industry.

The Cyber Games Grand Finals was held in Singapore over four days with more than 700 gamers vying for a share of the US\$435,000 prize pool.



Photo: Singapore Press Holdings



The famous 118-year-old Raffles Hotel in Singapore.

Raffles Hotel Acquires U.S. Owner

Raffles Holdings, the owner of the world famous Raffles Hotel in Singapore, sold its entire hotel business of 41 properties, for US\$1 billion to Los Angeles-based Colony Capital, a private-equity investor.

Colony, a fund that focuses on real estate, owns among other assets, the Amanresorts hotel chain, London's Savoy Group, and casinos in Europe and Atlantic City in the U.S. The buy adds 15 Raffles and 26 Swissotel hotels and resorts in 35 countries to Colony's portfolio.

The Raffles hotel in Singapore has had numerous owners in its storied 118-year history, most recently by Singapore real estate giant CapitaLand, the majority owner of Raffles Holdings. The sale also is one of the

biggest divestments by Temasek Holdings, Singapore's state-linked investment agency, which owns a 61 percent stake in CapitaLand.

Named after Singapore's founder, Sir Stamford Raffles, the Raffles Hotel is famous for the long list of writers and other luminaries who stayed there during the British colonial era, and it remains an icon for the island-nation. Among its most famous guests during colonial times were Somerset Maugham, Joseph Conrad and Rudyard Kipling.

The Raffles Hotel opened in 1887 in a rather sombre-looking old bungalow known as Beach House. Topical suites and solar topi were as much a part of Raffles Hotel's early style as bentwood tables and rattan chairs. Over the years, the hotel has evolved into one of the world's most beloved Grande Hotels and welcomed innumerable celebrities, writers, and royalty. Declared a National Monument in 1987, the Raffles Hotel was restored and re-opened in 1991.

Singapore Conducts Military Exercise in California

More than 300 Singapore Armed Forces (SAF) personnel recently conducted their first unilateral exercise on U.S. soil. The 12-day military exercise, called "Forging Sabre," was held at the U.S. Marines Air Ground Task Force Training Center at 29 Palms, California (in the Mojave Desert) in an area twice the size of Singapore. Singapore, which inked a strategic defence framework agreement with the U.S. in July this year, is one of only two foreign countries which have conducted a unilateral exercise at 29 Palms.

Exercise Forging Sabre was the first SAF exercise to involve all three U.S.-based Republic of Singapore Air Force (RSAF) training detachments that fly Apache attack helicopters, F-16 fighter aircraft, and Chinook heavy-lift helicopters, and integrated them with unmanned aerial vehicles, as well as soldiers from Singapore's com-



Two Apache helicopters take to the skies, manoeuvring across the hilly terrain of the Mojave Desert.

mando and artillery formations deployed from Singapore. Forging Sabre — a live-fire exercise — showcased aspects of the three core capabilities of the "third-generation" SAF: precision strikes, unmanned warfare and Integrated Knowledge, Command and Control.

"We have to constantly build our capabilities. We are taking a slice and expanding it but it has to be expanded across the whole of the SAF," said Singapore Second Minister for Defence Dr. Ng Eng Hen who witnessed the conclusion of the exercise. Dr. Ng also thanked the U.S. Marine Corps for extending the use of its facilities to the SAF for training.



Second Minister for Defence Dr. Ng Eng Hen, being briefed by a Republic of Singapore Air Force personnel in the cockpit of an Apache helicopter at 29 Palms, California.

Chevron Receives Singapore's Highest Corporate Award

U.S.-based Chevron, one of the world's largest energy companies, has been given Singapore's highest corporate award for its economic, social and community contributions to the country.

The "Distinguished Partner in Progress Award" was presented by Singapore Deputy Prime Minister (DPM) S. Jayakumar, who called Chevron a "very long-standing friend" of Singapore.

Chevron has a wide and diverse range of activities in Singapore, which serves as the headquarters for Chevron Downstream Asia Pacific, the global headquarters for the Caltex brand, and the regional headquarters for Chevron Oronite and Chevron Phillips Chemicals. Chevron also has global and regional centres for marketing and financial services, research, refining and manufacturing in Singapore.

"Chevron and Singapore have a good partnership...which extends beyond business. As a good corporate citizen, it has contributed to sports, the arts, community work and many charities in Singapore," said DPM Jayakumar. For example, Chevron has spearheaded and participated in various community projects, raising awareness and more than US\$875,000 for local charities and has also made contributions to the arts scene through its sponsorship of SingArt — A Brush with Lions and the 14th Singapore International Film Festival.

The beginning of Chevron's involvement in Singapore dates back to 1933 when, as the Texas Company, it set up an office here. It has since grown its operations in Singapore by investing a cumulative US\$1.2 billion.

The annual Distinguished Partner in Progress Award was initiated by the Singapore Economic Development Board in 1991. So far 20 other distinguished international companies, such as Hewlett-Packard, Motorola, ExxonMobil and Shell, have been recipients.



Photos: Singapore Press Holdings

Jeet Bindra (right), Chevron's head of global refining, receiving on behalf of Chevron Corporation, the "Distinguished Partner in Progress Award" from DPM Jayakumar (left).

Newsletter Readership Survey

Dear Reader,

We would like to thank you for your interest in the Singapore Newsletter, the bimonthly publication of the Singapore Embassy in Washington DC. As part of our efforts to continually improve the publication, we would like to take a couple of minutes of your time to fill in the readership survey below. Your responses are very important to us and we value your views on what you like and the changes you would like to see in our newsletter.

Thank you for your help.

Yours sincerely,
Lynette Cheng,
Embassy of Singapore

Please indicate your choice by checking the appropriate box, and add your comments where applicable.

1) Do you receive a personal copy of the newsletter?
 Yes No, I share a copy with others. How many people share the copy? _____

2) How often do you read the newsletter?
 Always Occasionally Rarely Never First-time reader

3) How much of the newsletter do you read?
 All Most Portions Not very much Just the pictures

4) In general, how would you rate the following:
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• Design of the newsletter? Excellent Good Average Poor
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5) How do you find the length of the newsletter in terms of number of pages?
 Too long Just right Too short

Comments:

6) Would you recommend the newsletter to your friends interested in Singapore?
 Yes No If "No", why not?

7) What types of articles do you find interesting and useful?

8) What types of articles would you like to see more of?

9) Suggestions to improve the newsletter:

Please send your responses to Lynette Cheng at fax number (202)-537-0876 by March 31, 2006.

Singaporean Swims English Channel

Mr. Thum Ping Tjin recently became the first Singaporean to swim the English Channel. He covered the 22 miles between Dover, England and Cap Gris Nez, France in 12 hours, 24 minutes and seven seconds in August, becoming one of only 764 people in the world to do so. The 26-year-old Rhodes Scholar who interned at the Singapore Embassy in Washington, DC in 2003, is working on his PhD at Oxford University.

Mr. Thum braved bad weather, chilly waters and 4.5 foot-high waves to raise about US\$300,000 for Action for

AIDS and the Methodist Schools Foundation, two Singapore charities.

Prime Minister (PM) Lee Hsien Loong and President S R Nathan both extended their congratulations and praise to Mr. Thum.

Said Prime Minister Lee in a letter: "May your success encourage many more Singaporeans to dare to dream, and act on those dreams for themselves, for their families and for Singapore... Once again, many congratulations on your achievement. We are all very proud of you."

President Nathan echoed PM Lee's sentiment: "As we celebrate Singapore's 40th National Day, your outstanding achievement of swimming across the English Channel is a fitting achievement to mark the occasion. Your perseverance, determination and fortitude in what you achieved will give encouragement to all Singaporeans, young and old to persevere, whatever the odds."

Rhodes Scholar Thum Ping Tjin was the first Singaporean to swim the English Channel, raising US\$300,000 for two Singapore charities.



Photo: Singapore Press Holdings

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