

**SPEECH BY MRS. LIM HWEE HUA,
MINISTER, PRIME MINISTER'S OFFICE AND
SECOND MINISTER FOR FINANCE & TRANSPORT
OPENING CEREMONY OF NEW FACILITY EXTENSION OF
SINGAPORE AERO ENGINE SERVICES PTE LTD (SAESL)
TUESDAY 2 FEBRUARY 2010, 5:30PM**

Mr Gary Nutter,
Chief Executive Officer of Singapore Aero Engine Services Pte Ltd

Mr Mike Terrett,
Chief Operating Officer of Rolls-Royce PLC

Mr Stephen Lee,
Chairman of SIA

Distinguished Guests

Ladies and Gentlemen

INTRODUCTION

1. I am extremely delighted to join you today for the opening ceremony of Singapore Aero Engine Services Pte Ltd's (SAESL) expanded facility in Singapore.

SAESL- A KEY PLAYER IN SINGAPORE AEROSPACE INDUSTRY

2. SAESL has come a long way since they began operations in Singapore in 2001. Established as the Trent Centre of Excellence providing MRO services to Rolls-Royce Trent engine operators in Asia, SAESL has aggressively sought to expand and upgrade its capabilities in Singapore over the last nine years. Not surprisingly, it has become the fastest growing Trent Centre of Excellence with an

impressive international portfolio covering engine overhaul for 18 airlines around the world. Its growing clientele includes Singapore Airlines, Emirates, Air Canada and Qatar Airways. Singapore is extremely proud to be a partner of SAESL.

3. As an integral part of the Rolls-Royce's aftermarket services with the capability to support the full series of Trent Family engines globally, including the new Trent 900 engines that power the Airbus 380, SAESL is obviously a key player in Singapore's aerospace industry. Today's opening marks yet another milestone in the growing partnership between SAESL and Singapore. Coupled with the recent announcement by Rolls-Royce to set up an Aero-Engine Assembly and Test Facility in the Seletar Aerospace Park, SAESL's expansion further testifies to Singapore's competitiveness in the aerospace industry.

4. The expansion of the SAESL facility adds to Singapore's value proposition as the MRO hub in Asia-Pacific as we constantly strive to be a preferred base for MRO companies. Today, Singapore is recognised as having one of the most established bases of MRO companies in Asia for engine overhaul. This sub-cluster, including both engine overhaul and engine component repair, accounted for about half of our aerospace MRO output in 2008. SAESL, as one of two engine overhaul players in Singapore, reported revenues of US\$856 million in 2008, accounting for almost one-fifth of our total aerospace output.

“HOME FOR BUSINESS, HOME FOR TALENT” FOR AEROSPACE COMPANIES

5. Indeed, Singapore's vibrant MRO sector is the result of the industry's hard work, the commitment of agencies like the EDB and CAAS towards their valued partners worldwide, and the strong partnership with key stakeholders. Today, SAESL's expansion in capacity and capabilities will not only generate significant spinoffs to our local component repair shops but also contribute to Singapore's position as a comprehensive MRO hub with nose-to-tail repair capabilities.

6. To support the demanding technical know-how required for engine overhaul and repairs, Singapore has invested significant resources in technical education. Over the last few years, our Institutes of Higher Learning and Institutes of Technical Education have launched aerospace courses or final year specialization with an aerospace focus. In 2009, we graduated some 1000 aerospace-trained students, and we are heartened by the good feedback from industry about the relevance of the programs and the quality of the graduates. I am also delighted to learn that a high proportion of SAESL employees are local, skilled workers as it bears testimony to the competitiveness of the Singapore's technical workforce.

7. The aviation sector is important to Singapore. To further generate opportunities for companies and individuals, CAAS has recently announced that they will be setting up an Aviation Development Fund with a budget of \$100 million over the next five years. This fund will support the industry development goals through a set of incentives aimed at enabling enterprise, ideas and people. CAAS will be announcing details of the schemes in April this year.

8. Maintaining a first-class business environment and infrastructure, and nurturing a skilled and flexible workforce are part and parcel of our key initiatives to make Singapore an essential home for talents and businesses of aerospace companies in Asia. I would like to assure you that the Singapore government remains committed to building Singapore as an aerospace centre of choice.

CONCLUSION

9. In conclusion, I would like to thank our partners, like SAESL for your trust and confidence in Singapore. We have been able to come so far because of the strong support that we have been receiving and will continue to receive from you. Let me congratulate the management and staff of SAESL on the success of your operations in Singapore. I am confident that this expansion project will create even greater opportunities and set the stage for realising your expansion plans into the future. Thank you.