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SPEECH BY DR. BEH SWAN GIN, MD EDB
AT THE OPENING CEREMONY OF PANALPINA SINGAPORE OIL & GAS
LOGISTICS COMPLEX
ON 17 AUGUST 2010, 2.50 PM

Your Excellency Jörg Al. Reding,
Swiss Ambassador to Singapore,

Mr Karl Weyenth,
Chief Operating Officer, Panalpina Group,

Mr Volker Sachse,
Managing Director, Southeast Asia Area, Panalpina Singapore

Distinguished Guests,
Ladies and Gentlemen,

1. Good afternoon. Let me begin by congratulating Panalpina on the launch of its first dedicated logistics facility for the Oil & Gas industry in Asia. This new complex is a significant milestone for Panalpina's investments in Singapore and for our logistics industry.

Singapore as Panalpina's Home for Business in Asia

2. Panalpina is a leading third party logistics service provider (3PL) for the Oil & Gas industry worldwide. For close to 20 years, Panalpina has managed its regional operations from Singapore. In early 2009, Panalpina doubled its warehousing space to more than 11,000 square metres with a new regional distribution facility in Changi International LogisPark. Today, we welcome the newest addition to Panalpina's presence here - a new 22,000 square-metre facility for the Oil & Gas industry in Asia. This will include a dedicated 60-man team to support Panalpina's Oil & Gas customers in the region.
3. 3PLs that are based in Singapore are able to leverage on Singapore's excellent connectivity and specialised infrastructure such as the Loyang Offshore Supply Base. Consequently, these companies are able to achieve rapid turnaround in distributing critical replacement parts to rigs in Asia.

Singapore: Lead Market to Develop Specialised Capabilities

4. Singapore represents a sophisticated lead market for 3PLs such as Panalpina to develop specialised solutions. For instance, Singapore now manufactures 70 per cent of the world's jack-up oil rigs, and we are a top supplier in the global market for Oil & Gas drill units as well as offshore support vessels. Leading Oil & Gas equipment manufacturers operating in Singapore include Keppel FELS, MacGregor-Plimsoll, SembCorp Marine.
5. To enable large scale engineering work to take place and be deployed from Singapore, these manufacturers have to work very closely with their supply chain partners. This includes the procurement and timely movement of complex parts from all around the world to Singapore. It also involves inventory management of spare parts for repairs to curtail the escalating cost of rig break-downs when offshore drilling has begun.
6. The investment in this Oil & Gas facility will therefore help Panalpina to work more closely with leading offshore engineering companies here and develop specialised capabilities to better meet their needs in Asia.

Conclusion

7. In closing, let me thank Panalpina for your confidence in Singapore through the years. Today's opening is testimony to Singapore's positioning as a strategic home-base for 3PLs like Panalpina to drive both business expansion and innovation in this region. We are delighted that Singapore is key to your plans in Asia. We look forward to growing this fruitful partnership and wish the management and staff of Panalpina every success in the years ahead.

8. Thank you.