

**SPEECH BY MR YEO CHEOW TONG  
MINISTER FOR TRANSPORT  
AT THE CELEBRATION OF  
SINGAPORE'S FIRST BILLIONTH SHIPPING  
TONNAGE MARK  
AT PASIR PANJANG TERMINAL  
TUESDAY, 21 DECEMBER 2004, 5.20 PM**

Your Excellencies  
Friends from the port and maritime industry

Today is a historic day for the Singapore port. For the first time in our 185-year history, the total vessel arrivals to our port, in terms of shipping tonnage, have exceeded one billion gross tons. I am delighted to be here today to share this momentous occasion with all of you.

2 The vessel which has the honour of crossing the one billion gross tons mark is the container ship "COSCO Shanghai". COSCO is the biggest shipping line in China and a valued customer of PSA. In December last year, COSCO and PSA embarked on a joint-venture to develop two dedicated berths at Pasir Panjang Terminal. I would like to take this opportunity to congratulate COSCO, and to thank the company and its management for their continued support.

**Achievements of the Singapore Port**

3 Let me now briefly highlight what the Singapore port has achieved this year. The crossing of the one billion gross tons milestone is a reflection of the strong growth achieved by Singapore's port and maritime industry in 2004. 2003 was an excellent year for the industry; but 2004 will be even better. It promises to be another record-breaking year for the Singapore port.

4 We will maintain our position as the world's busiest port in terms of shipping tonnage, ahead of Rotterdam and Hong Kong. Between January and November this year, the total cargo tonnage handled by our port grew by about 13 per cent to reach 357 million tonnes. Container throughput also increased by about 16 per cent to 19.4 million TEUs. Total throughput is likely to exceed 21 million TEUs by the end of the year. Singapore will also retain our position as the number one bunkering hub in the world, with total bunker sales expected to

rise by 12 per cent to reach more than 23 million tonnes this year.

5 The number of oil, gas and chemical tankers calling at our port has also increased. Tankers alone contribute more than 30 per cent to our total shipping tonnage. Between January and November this year, the Singapore port received more than 16,000 tanker calls, totalling 304 million gross tons. This is an increase of more than 6 per cent over the same period last year. I would like to thank the tanker sector for its significant contribution to our port and maritime industry.

### **Contributions of the port and maritime community**

6 Today's celebrations would not have been possible without the efforts put in by our port and maritime community. Whether it is to transship cargo, repair a ship, or take bunkers, our customers have come to Singapore as a choice port of call because of our efficient services, pro-business environment and skilled workforce.

7 On this happy occasion, I would first like to acknowledge the contributions of our port workers and unions. Their dedication, hard work and support have helped PSA enhance its competitiveness. PSA management maintains close relations with its two unions – the Singapore Port Workers Union and the Port Officers' Union. It holds regular meetings to explain the challenges with every level of staff in the company. This has helped to build understanding and trust between them. This is a competitive advantage which Singapore offers to our investors and customers. For example, this good relationship enabled PSA to quickly overcome the port congestion problems it faced earlier this year, when there was a huge surge in the number of ships calling at our port.

8 I would also like to thank our maritime and shipping companies for the strong support they have given to Singapore. This includes both our local companies, and the increasing pool of international companies who have chosen to base their operations here. I can assure you that we will not take your support for granted. We will continue to work closely with all of you to review our rules and regulations. With your inputs, we will maintain a conducive environment that facilitates new ideas and creates new business opportunities. To further improve our productivity, the Maritime and Port Authority of Singapore or MPA will focus on industry development programmes to encourage the use of technology and to continually upgrade our maritime workforce.

### **Reduction of Port Dues**

9 The government will continue to further enhance Singapore's port competitiveness. One measure is to ensure that our port dues remain competitive. The MPA has undertaken a review of the port dues in consultation with various industry players, such as the Singapore Shipping Association (SSA), the Association of Singapore Marine Industries (ASMI) and the Singapore Association of Ship Suppliers (SASS). The review has also taken into consideration the impact on related sectors such as ship repair, bunkering and the cruise industry.

10 Some of the changes in port dues that will take effect from 1 January next year include:

- A 50% reduction in port dues for vessels undergoing shipyard repairs exceeding 95 days;
- A 20% reduction in port dues for vessels calling at the port for the sole purpose of taking bunkers, ship supplies or for crew changes. To encourage faster turnaround time, the lower rates will apply to vessels staying 24 hours or less in our port; and
- A 20% reduction in port dues for passenger vessels of 300 gross tons and above, which make at least six calls to Singapore within a period of six months.

11 Furthermore, to develop the fast-growing car carrier sector, MPA will be reducing port dues by 20 per cent for car carrier operators who are committed to growing their car transshipment business in Singapore. This is an area which we want to develop as part of our hub port, in addition to the container handling business.

12 These revisions in port dues are expected to benefit some 4,000 ships annually and save about S\$2.5 million a year for the shipping community. If we add to this the existing 20 per cent port dues concession for container ships, it means a total savings of some S\$8 million per annum for the shipping community.

## **Conclusion**

13 Let me conclude by thanking everyone again for making today's celebrations a reality. I wish all of you an enjoyable festive season and a Happy New Year. Please join me now in offering a toast to more good years ahead for

the Singapore port and maritime sector.