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**KEYNOTE ADDRESS BY MR ZAINUL ABIDIN RASHEED,  
SENIOR MINISTER OF STATE FOR FOREIGN AFFAIRS AND  
MAYOR OF NORTH EAST DISTRICT,  
AT THE SEMINAR "RISE OF THE GOLDEN CRESCENT - DOING  
BUSINESS IN THE MIDDLE EAST" JOINTLY ORGANISED BY THE  
SINGAPORE MALAY CHAMBER OF COMMERCE & INDUSTRY  
(SMCCI) AND THE ASSOCIATION OF CHARTERED CERTIFIED  
ACCOUNTANTS (ACCA) MANAGED BY EDC@SMCCI, ON TUESDAY,  
11 MARCH 2008  
AT 9 AM AT SHERATON TOWERS, SINGAPORE.**

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Distinguished Guests;  
Fellow Singaporeans;  
Ladies and Gentlemen,

It gives me great pleasure to address you this morning. It is heartening to see so many of you here today supporting this event. Your presence and the strong turnout bear testament to the growing interests that we all share in the Middle East region.

2 The Middle East is not really foreign to us. We have had historical links that go back as far as the 14<sup>th</sup> century when the Arabs first brought Islam to our shores. Closer to home, we have had a significant Arab community in Singapore with the Hadrami diaspora. When the Minister for Foreign Affairs, Mr George Yeo, visited Yemen last year, together with Chairman of the Parliamentary Friendship Group for the Middle East, Dr Ahmad Magad, it became almost nostalgic. Minister's GRC is named Aljunied, after a Hadrami pioneering immigrant to Singapore then. For Dr Ahmad, he even met his relatives there. Minister Yeo was happy to tell me that

the delegation discovered that a Singapore Hadrami had even built a long road for the fellow Hadramis in Hadramaut. The Arabs are therefore no strangers to us. We should build on these ties. The recent mutual interests shown by both regions is as though we are rediscovering each other. This new journey is of course no Sinbad the Sailor make-believe, but bountiful rewards await the brave and the enterprising.

3. My first trip to the Middle East, in fact to the Magreb region in North Africa, that is Libya, was in 1973. It was for a youth international conference. Subsequent trips (mid-70s and 80s) were to Saudi Arabia, mostly for the haj. My first trip to Saudi Arabia was as a journalist. In addition to the haj, I also visited some of the progressive projects in the Arabian Peninsula, including agricultural experiments, the petroleum university and the Haj (R&D) Centre. Similarly, for most Muslim Singaporeans, they only know of the Haj (Jeddah, Makkah and Medina) when it came to the Middle East. And of course, the Palestinian issue. That is not to say that there were no Muslims, or non-Muslim Singaporeans in the Middle East then. In my travels to the Middle East, especially to Dubai and Bahrain, I have come across Singaporeans, including Malays and Muslims, who have been in the region for more than 15 years, some even 20 years, and having done well in business or working there. Today the picture is very different.

4 During the last last four years alone, there had about 20 trips made by senior Government leaders to almost all the countries in the Gulf area and the Magreb. During last January and this March alone, Senior Minister, Mr Goh Chok Tong and Minister Mentor, Mr Lee Kuan Yew, visited five Gulf countries. Minister George Yeo will

be visiting Egypt this April for a bilateral visit before attending the Second Asia Middle-East Dialogue at Sharm El Sheikh. SM Goh is also scheduled to visit Libya later this year. I also plan to visit Oman, Yemen and Libya this year. All these visits say a lot about how important Middle East is to us. They bear testament to our government's efforts at engagement for closer political and economic ties.

5 The Middle East itself has emerged as a region of global importance. The Middle East region has grown rapidly in recent years and now has a combined GDP of over US\$1 trillion for a population of some 400 million people. Trade between the Middle East and Singapore for example, shot up 42% between 2004 and 2006 to reach US\$48 billion. These figures are predicted to grow exponentially in the next few years.

6 The Middle East has offered many opportunities for our businesses. Governments in the Middle East are increasingly moving towards a more outward-oriented market approach based on international trade and the development of the private sector. The political leadership in many Middle Eastern countries have also realised that a nation's competitiveness and success are more determined by the quality of its human resources than by the abundance of its natural resources. With growing populations and income levels, the Middle Eastern markets are booming and focusing on huge investments in infrastructure not only for oil and gas, but also in ports, airports, telecommunications, roads, healthcare and electricity. The result has been the rapid transformation of these Middle Eastern countries from barren desert land into sophisticated cities teeming with people, business

opportunities and even greenery. These have been indeed impressive achievements over a very short span of time.

7 Our ties with the Middle East have also been growing increasingly warm. It has become a new frontier for us, full of opportunities although not without risk. A watch of caution though. Beware of shiny mirages of opportunities, but there are enough oases waiting to be exploited.

8 The warm relations between Singapore and the Middle East have also extended to joint collaborations on projects overseas such as the Tianjin Eco-City in China. We have also stepped up our exchanges with all six GCC countries. We have completed our FTA negotiations with the GCC and the document is now undergoing legal scrubbing. The FTA will help to form a strategic link between Singapore and the Gulf region and will assist in facilitating the growth of trade and investments between Singapore and the Gulf countries.

9 I am happy to add that the Asia-Middle East Dialogue (AMED) first inaugurated and hosted in Singapore in 2005 has also made good progress. Under the AMED umbrella, we have cooperated with Qatar and Jordan to establish Regional Training Centres to provide vocational and public service training. We are confident that AMED will further enhance greater understanding, cooperation and dialogue between both regions. AMED II will be held in Sharm El Sheikh in April and thereafter in Thailand.

10 In order to understand the region better, we have set up the Middle East Institute (MEI) as an autonomous research institute within NUS. We are actively conducting a global search for a Director who can help to steer MEI in

its early stage. The MEI will play an important role in promoting awareness and growing our knowledge of the Middle East for both the public and private sectors. There is great potential for synergy given that both Asia and the Middle East represent two of the fastest growing regions in the world.

11 On the business front, the Government has always played an integral role in deepening and strengthening the understanding of our business communities in the Middle East through engagements with various chambers of commerce on their activities. The Middle East is experiencing breathtaking development and it is through such cooperation and partnership with the business community that we are able to achieve the continued progress and success. A good example of this form of engagement is the formation of the Abu Dhabi Singapore Business Forum (ADBSF), which was first mooted by SM Goh Chok Tong in Jan 2007 after discussions with the Crown Prince of Abu Dhabi, H.H. Sheikh Mohammed bin Zayed Al Nahyan on an strategic partnership initiative to further propel Singapore's business interest in Abu Dhabi. As a matter of fact, the 2<sup>nd</sup> Abu Dhabi Singapore Business Forum will be held tomorrow at the Emirates Palace in Abu Dhabi, which shall witness the next wave of Singapore business interest coming to Abu Dhabi.

12 Our Singapore companies, both large and small, have found success in the Middle East. As you may have read from the business news recently, big Singapore corporations like SembCorp Utilities, Keppel Integrated Engineering, Capitaland and Keppel Offshore & Marine have won big contracts or are undertaking major investments in the GCC countries. DBS Bank has also decided to set up a major Islamic bank in collaboration

with Arabic investors. Smaller Singapore companies have not been left out of the picture. Many, like Design Studio, Inter-Roller, Tiong Woon, Rotary Engineering, AquaTerra, etc. have all benefited hugely from the infrastructure development boom by securing major contracts in the oil & gas or construction sectors.

13 While we have achieved many business success stories in the Middle East over the last few years, newcomers must realise that the region is a complex environment, and you can expect to encounter formidable challenges there. This is a market that will require effort, patience and cultural awareness to break through.

14 Against the backdrop of a slew of government initiatives with the Middle East, opportunities abound in the Middle East not only for the MNCs but also the Singapore SMEs. There have been several stories of SMEs that have succeeded in making inroads to the Middle East. For example, ASM technologies, an education and IT consultancy service provider, has entrenched its place in Muscat, Oman by being the first foreign company to offer a suite of turn-key IT consultancy services for government agencies in Oman such as Information Technology Authority (ITA) and the Ministry of Education. Harnessing its first-mover advantage, its founder, Ms Alinah Aman – who was previously also an SMCCI member – was able to make significant inroads to an otherwise cut-throat environment which usually only favours multi-national companies. In the same vein, SMEs can also follow Alinah’s lead by finding niche sectors to less competitive – but more conducive – markets to establish their presence, like say, exporting unique Singapore designed furniture items to Abu Dhabi or selling Muis-certified packaged Singaporean food to Muscat. As a matter of fact, the

export of food products from Singapore to UAE rose by an impressive 67% in 2007, with the total food exports amounting to S\$171 million. SMEs like Tat Hui Foods Pte Ltd, which manufactures and exports the famous Koka instant noodles, has certainly benefited from this surge in food exports to the Middle East region. I certainly believe that the F&B sector is something which SMEs should look into, since Singapore's Muis certification is recognized throughout the UAE.

15 Another local company that is making steady inroads is Mini Environment Services Pte Ltd. Having proven track records in managing hostels for foreign workers in Singapore, they are sought after by Abu Dhabi, Qatar and Dubai to establish and run workers' complexes there. The Qatar project is expected to house 50,000 workers and the Abu Dhabi project, starting from 21,000 and growing to a steady state of 100,000 workers.

16 To assist our businesses, especially the SMEs in their foray into the Middle East region, Singapore Business Federation has played a key role in facilitating Singapore companies' market development efforts into the region under their *Middle East Business Group* initiative. The MEBG is a manifestation of Singapore's commitment and interest in enhancing linkages with the Middle East particularly at the business-to-business level. The MEBG serves as a bridge between Singaporean and Middle Eastern businessmen by connecting the two private sectors.

17 With this climate of strong and friendly bilateral relations, I am confident that there will be excellent prospects for enhanced trade and investment

opportunities for our business community. I encourage everyone to make full use of today seminar and the networking opportunities to explore and understand the business opportunities that are available in the Middle East region.

18 Let me conclude by saying that the Middle East remains a challenging region to understand. There is a lot that we still have to learn. However, with our destinies and interests being increasingly intertwined, economically, socially and politically, it is in our mutual interest to understand and help each other. As a small country that reflects the diversity of our region, we will be happy to play the bridging role between Asia and the Middle East. I wish you a fruitful and successful seminar.

Thank you.

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