

Tharman Shanmugaratnam: Singapore's dynamically changing landscape

Speech by Mr Tharman Shanmugaratnam, Chairman of the Monetary Authority of Singapore, at the opening of One Raffles Place Tower Two, Singapore, 18 September 2012.

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Wee Ee Cheong, Chairman, OUB Centre Limited,
Mr Henry Kok, General Manager, OUB Centre Limited,
Distinguished guests,

Good evening. It is my pleasure to be invited to officiate the opening of a new twin skyscraper in Raffles Place – One Raffles Place Tower Two. It is part of the continuing rejuvenation of the cityscape at Raffles Place, which continues to be at the heart of businesses and commerce in Singapore.

Raffles Place – a continuing history of new blended in old

Raffles Place has indeed been a continuous story of the new inserted in the old, as it emerged from being a humble docking location for small boats and ships in the early 1800s, to become a thriving centre of regional commerce and now a global business and financial centre.

On 8th August 1988, OUB Centre, now called One Raffles Place Tower One, was opened by Mr Lee Kuan Yew, who was then Prime Minister. He had noted the building's quality design and distinctive workmanship. It was also an icon for Singapore at the time, as the building went on to be recognised as the tallest building in the world outside of the United States. Designed by Kenzo Tange, One Raffles Tower One still remains amongst the tallest three skyscrapers in Singapore.

This evening, One Raffles Place continues this evolution with the addition of a second tower. How interesting too, that the new tower is designed by Mr Paul Noritaka Tange, son of the architect for the original Tower One.

I am told that One Raffles Place Tower Two has two distinctive features which differentiate it from its predecessor.

First, One Raffles Place Tower Two is a certified BCA Green Mark Platinum Development. Some of the building's environmentally-friendly features include solar cells and tools to harvest rainwater. With these sustainable features, the new tower will achieve an overall energy savings of 32% each year. I applaud OUB Centre on this effort.

Second, One Raffles Place Tower Two will not only provide an additional 360,000 square feet of grade A premium office space but has floor plates which are column-free. They grant offices the flexibility to apportion their office space efficiently.

Singapore – charting history as a global financial centre

While the outlook for US and European economies continues to be uncertain, Asia continues to offer growth opportunities.

Asian banks, which are moderately leveraged, largely deposit-funded and generally conservative in lending, have in recent times, stepped-up their financing activities. As traditional European lenders continue to deleverage, there are opportunities in corporate funding, trade finance and infrastructure finance which Asian banks are well placed to take hold of.

Asia has also seen rising affluence amongst its population and increased interest from international investors as an investment destination. This has presented greater investor demand, paving the way for the growth of Asia's capital markets and asset management sectors. These developments will help drive a new chapter in Asian finance.

We will continue to ensure that we have adequate supply of premium infrastructure to support the sustained growth of the business financial centre here.

Our office rental rates in Singapore remain competitive. Based on CBRE's Q1 2012 Singapore Market View, the average monthly rental for Grade A office space dipped by 4.7% quarter-on-quarter to \$10.10 per square feet (compared to the 3.6 % fall in Q1 2012). (This is well priced compared to premium office space in Hong Kong and Tokyo, at about 50% and 70% of their costs, respectively. Occupancy rates for Core CBD in Singapore remain healthy at about 92% (in Q2 2012).

The increase in premium office space at competitive rental rates bodes well for Singapore, and will strengthen our role as a competitive business hub in Asia and globally.

Conclusion

I congratulate all those who have played a role in making this new development possible. I am optimistic that the two towers of One Raffles Place will remain as one of the most recognised business addresses in the historic Raffles Place and will continue to contribute to Singapore's success story.