

**SPEECH BY PRIME MINISTER LEE HSIEN LOONG AT  
THE OFFICIAL OPENING OF GLAXOSMITHKLINE  
VACCINE MANUFACTURING PLANT  
TUESDAY, 9 JUNE 2009**

Mr Andrew Witty, CEO GlaxoSmithKline

Distinguished Guests

Ladies and Gentlemen

1. It gives me great pleasure to join you this morning for the official opening of GSK's vaccine manufacturing plant.
2. This is GSK's largest vaccine plant in Asia and the first of its kind in Singapore. It is a state-of-the-art facility, producing childhood vaccines that can save 3 million lives worldwide every year. Singapore is proud to be part of this project.

THE GSK-SINGAPORE STORY

3. GSK and Singapore share a longstanding relationship. GSK first set up a small sales office here in 1959, the year Singapore gained self-government. In the half century since, GSK has grown into a global leader in the pharmaceutical industry. Singapore too has been totally transformed. We attracted foreign investments, upgraded our workforce and invested in R&D to develop new capabilities, including in the Biomedical Sciences. In this way, we grew our economy and created good jobs for our people.
4. Over the past five decades, Singapore and GSK have built an enduring partnership. GSK expanded its activities in Singapore to manufacturing, drug discovery and clinical research. Today, Singapore is

one of GSK's two global strategic manufacturing hubs, and its regional headquarters for Asia Pacific. GSK has invested over S\$1.5 billion worth of fixed assets here, and more than 1,000 people work for the company in Singapore.

5. We want to continue deepening our relationship with GSK, and are jointly developing a 10-year GSK-Singapore Strategic Roadmap. With this Roadmap, we can better support GSK to develop and exploit the emerging health and wellness markets in Asia. I look forward to many more fruitful years of partnership ahead.

### BREAKING INTO BIOLOGICS MANUFACTURING

6. GSK's vaccine plant opening today is the result of many years of hard work to lay the foundation for biologics manufacturing. Although Singapore has a well-established track record in 'traditional' chemical molecule drug manufacturing, we only decided to break into biologics manufacturing in the year 2000. This was a critical move for Singapore because biologics drugs were increasingly driving global pharmaceutical market growth.

7. At that time, pharmaceutical companies questioned if Singapore could make the difficult transformation. The companies told EDB, "Yes, we understand that you have capabilities in chemical drug manufacturing, but you have not done biologics manufacturing before." Biologic drugs are larger and more complex. Different worker skill-sets and more sophisticated technologies are required in their manufacture. Companies were not sure they should sink in billions of dollars in Singapore when we did not have any track record.

8. The challenge did not deter us. We had to show that Singapore could deliver. EDB persuaded companies to partner us to develop customised training programmes. We sent Singaporeans to work in overseas plants for one to two years, fully funded by EDB. At the same time, A\*STAR's

Bioprocessing Technology Institute engaged industry leaders in technology development. Our universities - NUS and NTU – introduced courses to train graduates to work in this emerging sector.

9. These measures created a ready pool of talent for pharmaceutical companies, even before they had made any investment decisions. These companies could be confident that when their plants did come on-stream, they would have access to trained manpower familiar with their SOPs and production technologies.

10. I am sure these efforts encouraged the companies to take the plunge. Besides this plant by GSK, five other biologics manufacturing plants have been announced and four are under construction. Together, they will employ over 1,000 highly-skilled workers, and make Singapore the key biologics manufacturing location in Asia for global pharmaceutical and biotech companies.

#### POSITIONING SINGAPORE FOR THE FUTURE

11. We cannot rest on our laurels. The road ahead will be difficult. First we have to see through this global economic storm. Beyond that, we face a new world, with new market dynamics and tougher competition. In the same way that we upgraded to biologics manufacturing, we need to find new growth sectors and gear ourselves up for them.

12. One possibility is to offer Singapore to be the corporate base for global companies, both big and small. In the past, global companies operated with just one corporate headquarters, where all their key decision-makers were based. However, Asia is now the main growth story in the world. Many companies are therefore looking to locate their key functions and decision makers closer to Asian markets. With more and more manufacturing and R&D taking place in the region, companies are also establishing 'control towers' to better manage and coordinate their

activities. Singapore's stable and pro-business environment, excellent connectivity and competent workforce make us an ideal Asian base for these companies.

13. We need to find many more such niche areas. Then we can continue to prosper in the new world. Two weeks ago, we launched an Economic Strategies Committee, which will involve both public and private sector expertise to plot our future directions. This Committee will develop strategies to pursue global opportunities, enhance our capabilities, promote inclusive growth and make the best use of our finite resources. In this way, we can transform our economy and continue to make steady progress into the future.

#### CONCLUSION

14. Pharmaceuticals are knowledge products. Drugs are physically small but their effects are targeted and potent, and they command high value. That is how Singapore must be. Ours is a small island with no natural resources. We must therefore invest in knowledge and R&D, recruit and groom talent, and focus our efforts to excel in niche areas. Then we can transcend the limitations of physical size and punch above our weight class among the global competition.

15. Let me congratulate GSK's management and staff on the opening of your first vaccine plant in Asia. I promise you our full support, and wish you every success in this exciting and important endeavour.