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**SPEECH BY MR OTHMAN HARON EUSOFE,
MINISTER OF STATE FOR LABOUR,
AT THE NATIONAL DAY OBSERVANCE CEREMONY
OF THE SINGAPORE TECHNOLOGIES
SHIPBUILDING AND ENGINEERING LTD
AT NO. 7 BENOI ROAD
ON 11 AUGUST 1997, AT 7.45 AM**

I am happy join you at this Observance Ceremony to mark our 32nd National Day. Singapore has come a long way since it achieved independence in 1965. Despite great odds we have made tremendous progress and today Singaporeans enjoy a good quality of life.

We should not take our success for granted. All of us and especially the young must have a strong understanding of why Singapore has been successful and what has to be done to stay successful. There is no guarantee that we will continue to succeed in the future. But our future can be bright and even more successful provided we work hard as a strong team and make sure that we are relevant to the world. The challenge is therefore for us to be a more vibrant, dynamic and competitive nation.

One critical factor for our success is our honest, competent and decisive leadership. Our leaders have the vision and courage to plan on the basis of long-

term solutions.

Another factor is our harmonious industrial relations. The leaders of our trade unions and employer associations together with the government have developed a tripartite system, which is the foundation of our sound and harmonious industrial relations.

The workers have made a significant contribution to promote industrial peace and stability. They have strongly supported their leaders and are ready to endure short term sacrifices for the long-term success. Singaporeans, as a united and cohesive force, ensured political stability and industrial harmony and this enabled us to achieve strong and sustained economic growth. Despite our limited size and lack of natural resources we were able to industrialise rapidly, attracting good investments to Singapore. Our investors brought in new technology, technical expertise and helped us to expand confidently into the world markets.

Of the pioneer industries, the marine industry was and still remains one of the most important sectors of the economy. Despite setbacks in the past, the outlook for the marine industry looks promising. High economic growth within the Asian Pacific Region can bring more business for the industry. According to the latest report of the Association of Singapore Marine Industries (ASMI), Singapore shipyards were able to clinch a sizable share of contracts despite competition from Middle-Eastern and Asian yards. I understand that last year, the industry saw an increase in the repair of bigger and more specialised vessels. The shipbuilding sector also registered better results as more vessels were completed during the year. In the offshore engineering sector, there were no new orders for oilrigs, but local yards continued to upgrade and retrofit existing rigs. Overall, the diversified

activities and flexibility of the shipbuilding/repairing yards have resulted in improved performance in 1996 with the industry chalking a gross turnover of \$2.86 billion, which is an increase of 5 per cent over the previous year. I congratulate management and workers in the marine industry on this success.

Let me stress again that we cannot afford to rest on our laurels. With the globalised economy, intense international competition and rapid introduction of new technology, we have to do more to stay ahead of the competition. This is the challenge for us as we move towards the 21st Century. Our companies must move quickly into the creation of more jobs requiring higher skills and engineering content. For example, the use of autoseam tracker for automatic welding, CAD/CAM applications and waterjet technology, which require high skills operations, has contributed to greater efficiency of operations in the marine industry.

With the shift to higher end technology, it has become even more crucial that the workers are adequately trained to be more skillful and creative but they must have positive work attitudes as well. Workers training programmes should include modules, which would motivate the workers to think as they work. We have to help them to think of new and fresh ideas to work better and faster. This may seem easier said than done. Many workers have however demonstrated that they can do this especially when they have been given the opportunity and have the support and confidence of their management. For example workers who have taken part in Quality Control Circles or Work Improvement Teams have shown unequivocally that they are capable of proposing new ideas and improvements in their work which bring about good productivity and quality improvements. As we build up their confidence, we motivate them to learn about new technology and to be more familiar with Information Technology.

I am happy to see the shipyards working closely together with agencies such as the Economic Development Board (EDB) under the Marine Group Local Industry Upgrading Programme (LIUP) to develop skills training for the workforce.

One innovative project, which was launched in March this year at the Jurong Shipyard, is the Marine Resource Information System (MARIS). MARIS is a collaborative IT projects by the Marine Group LIUP Centre, NCB, MOL and the shipyards. Through the implementation of this system, the skill level of marine workers can be closely monitored. The system also enables the industry to fine-tune the training requirements of the workforce. This helps to ensure that the workers handling specialised operations are properly trained for the job. In the long term, the system would be able to ensure an optimal use of workers in the marine industry through networking with the agencies involved in manpower training and development.

Let me now turn briefly to another important subject namely the safety of our workers. In 1996, a total of 754 accidents happened in the shipbuilding/repairing industry, which is a decrease of 6.1% compared to 1995. In terms of the accident frequency rate, that is, the number of accidents per million man-hours worked, the figure has been steadily declining. Last year the frequency rate of accidents in the marine industry was 7.9% which represents a drop of 43.1% compared to the 13.9% a decade ago. The accident severity rate, measured in terms of the man-days lost per million man-hours worked also fell by 24.3% from 1,243 in 1987 to 940 in 1996. This is another example which shows that workers and their unions working together with management as a cohesive team help reduce and even prevent the occurrence of accidents in the marine sector. A safe working environment will boost workers morale and will contribute to raise productivity.

As we celebrate National Day 97 let us resolve to work as a strong, cohesive and creative team, to keep pace with development of new technology and to strengthen our commitment to remain ahead of our competitors. In this way, Singapore will continue to be successful and you and your families can look forward to a more exciting and better future. Let us stand up to make Singapore strong. My best wishes for a Happy National Day. Thank you.

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