

PRESS RELEASE

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**SPEECH BY MR. LEE YOCK SUAN,
MINISTER FOR TRADE AND INDUSTRY AND
SECOND MINISTER FOR FINANCE,
AT THE MTI NATIONAL DAY OBSERVANCE CEREMONY
AT JTC AUDITORIUM, JURONG TOWN HALL ROAD
ON SATURDAY, 16 AUGUST 1997 AT 10.00 AM**

I am happy to have this opportunity to celebrate National Day with you.

This is a good occasion to reflect on how the world and Singapore have changed over the past 32 years since our independence in 1965. How have our lives changed? What are the challenges facing us?

All of us have our own experiences. This morning let me share with you some fleeting memories and thoughts which came to my mind as I wrote this speech. As a boy I lived in a village without running water or electricity. It was a long walk to the main road. Buses were over-crowded and passengers used to fill up to the doorstep with some clinging on for their lives. Gang fights were common then and unemployment was high. Gangsters extorted from small businessmen and fought to protect their turf.

In 1966 my family was resettled into small Housing and Development Board (HDB) rental flats. That year I went to London on a

scholarship. I stayed in a British Council hostel near Harrods. There were many African students then but much fewer now because they cannot afford it. The Nigerian civil war broke out, causing tension among Nigerian students in the hall. Over the past 30 years since the end of colonialism, Africa has not progressed much. Fortunately Singapore, Malaysia and Indonesia have made enormous strides forward since independence.

When the Arab-Israeli war broke out in 1967, there was palpable excitement among the students in London. We followed the events closely on the radio or black-and-white TV. Not knowing much about the background I was surprised to learn that the Israelis had won so quickly against overwhelming odds. Strength does not come from size alone. Unfortunately the Middle East has yet to see lasting peace.

For engineering students we had to use computers – bulky and expensive machines. We had to punch computer instructions on cards and wait several hours or even a day for the results to return. The whole department shared one big calculator. After my return from London I joined the Economic Development Board (EDB). I remember the excitement in EDB when a company first proposed to make hand-held calculators in Singapore. Today personal computers are so common and we can have instantaneous access to worldwide information via Internet.

In 1973 the oil crisis erupted and oil prices went up several-fold. The oil producing countries suddenly became very rich whilst oil consumers tightened their belts and prepared for oil rationing. Everyone looked with envy to the resource-rich countries which felt secure with their abundant resources. The feeling then was that the future belonged to the resource-rich countries. As it has turned out, the quick and easy wealth of petrodollars has

led to much wastage in several oil-exporting countries and not really strengthened their economic fundamentals.

Many Singaporeans have emigrated to what looked like greener pastures in developed countries. Some may wish to return, attracted by the economic prospects of the Asia-Pacific. However they find that both currency exchange rates and property prices have moved against them.

The collapse of communism and the end of the Cold War have brought sweeping changes to the world. Countries like China, Vietnam, Russia and other Soviet-bloc states have opened by their economies and are trying hard to make up for lost time. With large populations and abundant resources they have succeeded to varying extents but the transition is a difficult process. World competition has become more intense and even developed countries are feeling somewhat insecure. We are living in exciting times, faced with many new opportunities and challenges.

In such a fluid situation it is very important that Singaporeans continue to pull together as one united people. We need to have a good understanding of our strengths and weaknesses as a nation as well as a realistic assessment of the competition and the challenges confronting us. We need to be quick and nimble, able to adjust rapidly to changing situations so as to gain a headstart.

Much of the success we have in Singapore is man-made. Accolades come to Singapore so frequently nowadays that we sometimes forget that modern Singapore is the result of more than 30 years of honest and effective government, prudent economic management and the toil and harmony of many Singaporeans.

What are the factors that have contributed to Singapore's success? The key factor is political and economic stability. With this, investors can plan long term and be here to stay and grow with us. Another important factor is industrial harmony, with equitable sharing of the fruits of our prosperity. Investors know they can work with the unions to increase productivity and not be held to ransom. With heavy investment in education and training and with a strong work ethic, our workforce is highly productive. The civil service is honest and efficient and the Government is prepared to take tough decisions in the long-term interest of the country. Years of careful fiscal management and a high savings rate have enabled us to build up a world-class infrastructure and strong reserves. With instability in the regional currency markets, I think Singaporeans are now more aware of the importance for Singapore to have strong reserves and minimal foreign debt. With a strong economy, we are able to give more attention to our cultural and spiritual development. And to protect our achievements, we have a strong defence capability.

Being small, Singapore's economy has to be open, competitive and market-oriented. We must be well-plugged into the global network to enable quick access to foreign markets, technology and resources.

Many countries are trying to follow our example and some will succeed but it will not be easy. Major impediments are structural in nature. Nevertheless we can expect keen competition as more countries overcome their internal difficulties and catch up on us.

We are fortunate today to be able to celebrate our National Day with confidence and high spirits. However, we should never be complacent. We are constrained by our limited land and labour resources, our ageing population and increasing individualism. International competition has

become more intense. We need to work harder and smarter to stay ahead.

As members of the Ministry of Trade and Industry (MTI) family, we have a heavy responsibility to help ensure that our economy remains robust, competitive and dynamic. All of us must know our roles and situations thoroughly and how they fit into the larger picture. We must work well as a team, to compete with formidable teams in other countries. We must be forward-looking and prepared to adjust our policies if necessary to face the challenges ahead.

As we celebrate our 32nd National Day today, let us pledge to give of our best to our country and our people. Together we will all contribute to build a better future for all Singaporeans.

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