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OPENING STATEMENT BY MR OTHMAN HARON EUSOFE, MINISTER-OF-STATE FOR MANPOWER,  
REPUBLIC OF SINGAPORE AT THE 13TH ASEAN LABOUR MINISTERS' MEETING IN YANGON, MYANMAR  
ON 14 MAY 1999

Mr Chairman

Excellencies

Distinguished delegates

Ladies and Gentlemen

On behalf of the Singapore delegation, I would like to congratulate your Excellency, Major-General Tin Ngwe, on your election as the Chairperson of the 13th ASEAN Labour Ministers' Meeting. We are confident that under your able leadership and guidance, we will have a successful meeting and contribute to strengthen ASEAN's mutual understanding and cooperation in the field of labour. May I also register our appreciation to the Government of the Union of Myanmar for hosting this meeting and for the warm hospitality extended to me and my delegation.

2. Mr Chairman, last year at the 12th ALMM held in Hanoi, we had the honour to welcome Myanmar and Laos as new members to our association. This 13th ALMM also marks a historic event as we welcome the Kingdom of Cambodia as a full-fledged ASEAN member in our series of ASEAN Labour Ministers' Meeting.

3. Mr Chairman, the past year had been a traumatic one for ASEAN members. The Asian financial crisis had altered the economic and social landscape of the region completely. We witnessed the devaluation of our currencies, the weakening of the financial and corporate sectors, and the severe retardation of our once dynamic growth. These had in turn translated into a large number of workers being retrenched and unprecedented high unemployment rates.

4. We hope that 1999 will be a better year for us. There are some indications that our stabilisation and reform programmes have begun to produce positive results. Stock markets have rallied, exchange rates have stabilised and interest rates have fallen to pre-crisis levels in several countries. These have generated optimism for

recovery in the region and both the IMF and the World Bank have, in the earlier part of this year, forecasted positive collective growth for East Asian economies. In fact, the World Bank has upgraded its Dec 98 projection of 0.1% growth to 0.3% growth in Jan. The IMF, on the other hand, has a more optimistic forecast of 1% growth.

5. It is still too early to conclude that Asian countries are firmly on the mend. Major uncertainties lie ahead. Investors' confidence in the region has not been fully restored and they adopt a cautious "wait-and-see" attitude before making any further commitments in the region.

6. Mr Chairman, a key component for the economic development of any country is the availability of skilled manpower. A recent survey of 1,500 German firms in 10 Asian countries by the international management consultants, Droege and Comp, ranked the lack of skilled personnel second after "credit crunch" in the list of obstacles deterring investments in the region. Workers continuing education and training is therefore essential to economic development which will help workers to remain employed in a period of rapid technological development.

7. Let me take this opportunity to share Singapore's experience and efforts to address the issue of employment and employability of workers in the current economic crisis. To help our companies regain their cost competitiveness, we have implemented a package of cost-cutting measures, including a 15% reduction in overall wage cost. The Government has also launched a comprehensive workers' training programme known as the Skills Redevelopment Programme (SRP) to help lower-skilled workers, including those who were retrenched, to undergo re-training and skills upgrading so that they could seek re-employment quickly. Under the Programme, a Skills Redevelopment Centre was set up and employers were given financial incentives to send their workers to the Centre for skills training and upgrading.

8. The Ministry of Manpower introduced several initiatives in early 1998 to help companies and workers to cope with the problems arising from the recession. Briefly these initiatives were aimed at minimising the incidence of retrenchments. Where retrenchments were unavoidable, measures were implemented together with the economic agencies, companies and the community to help retrenched workers and other job seekers to secure employment as soon as possible.

9. At the regional level, ASEAN has, as a group, embarked on the project on Human Resources Planning. This initiative could be accorded greater priority in the light of current developments. The regional programmes, prepared by the ASEAN Secretariat in response to the financial crisis covering the areas of employment creation, as well as enhancing tripartite cooperation in riding out the crisis, would I am sure, also be relevant and useful during this trying period.

10. While domestic measures are taken to build up internal capabilities and put things in perspective, sustainable recovery hinges on the external environment, i.e. whether there is world economic growth. This is in turn dependent on trade. The IMF and the World Bank have both revised downwards their respective global growth projections for 1999 from last year's forecasts. The downward revisions were in part attributed to the projected decline in the growth of world trade as the economies of Europe and US were expected to slow down this year. The IMF warns that

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the Asian crisis has generated "very uneven pattern of trade adjustment" towards surpluses for the crisis-hit economies, with the United States assuming the "bulk of the adjustment". There is "considerable uncertainty" as to whether the large trade imbalances would lead to a "resurgence of protectionist pressures". There are strong indications that some developed countries would again make attempts to link trade and labour standards in the next round of global trade negotiations to be launched at the WTO Ministerial Meeting in Seattle in November. There would also be a call for collaboration between the WTO and the ILO and further advocates for future trade pacts to cover core labour standards. We therefore cannot rule out the probable misuse of the linkage as a form of veiled trade protectionism. It is vital for ASEAN and other like-minded countries to resist attempts for any trade-labour linkage, or for that matter to firmly resist attempts to deviate from the 1996 WTO Ministerial Declaration that only the ILO is the competent body to deal with labour standards.

11. Mr Chairman and distinguished colleagues, the ILO Declaration has been adopted and we applaud the assurances made by the ILO Office that the Declaration, including its follow-up, would be purely promotional in nature, with technical cooperation and assistance being the key elements of the follow-up. Notwithstanding this, there are areas which are susceptible to intervention by other organisations to forge a direct linkage between trade and enforcement of international labour standards.

12. In conclusion, we have before us, many challenges ahead both in the region as well as in the international arena. Although our respective economic situations are not identical, there are many areas where we can benefit through mutual cooperation and exchange of view and experience. I am confident that under the leadership of H.E Major General Tin Ngwe, we will have a very fruitful discussion and this will further strengthen the traditional spirit of cooperation and solidarity within ASEAN.

13. Thank you.

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