

Singapore Government

MEDIA RELEASE

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**SPEECH BY MR OTHMAN HARON EUSOFE
MINISTER OF STATE FOR MANPOWER
AT THE SMRT NATIONAL DAY OBSERVANCE CEREMONY
THURSDAY, 10 AUG 2000 AT 9.00 AM
AT SMRT BISHAN DEPOT AT 300 BISHAN ROAD**

1. I am happy to join you today at this Observance Ceremony to mark our 35th National Day. Singapore has come a long way since our independence in August 1965. Despite great odds and the two recent recessions in 1986 and 1998, we have made tremendous progress. Singaporeans today enjoy a good quality of life.

2. Singapore's economic outlook for 2000 is positive, with our GDP growing at 7.7 percent in the second quarter compared to the same period in 1999. Although this is lower than the 9.1 percent growth in the first quarter, it is higher than MTI's projected growth range of 5.5 to 7.5 percent for the year.

3. The speedy recovery would not have been possible without the strong support and sacrifice of all workers. Your willingness to accept wage and CPF cuts was crucial for the recovery. Now that the economy is back on track, employers should consider rewarding their workers for their contribution and

dedication to stand by the company during the period of economic difficulty. On CPF, the Government has accepted the NWC's recommendation for a speedier restoration of the CPF contribution rate. A 2% employers contribution was restored in April 2000 and if the economy continues with its robust performance it is only fair to expect a restoration of more than 2% next year. However as the world is becoming more intensely competitive, we cannot afford to be complacent. Instead we have to be vigilant and keep a watchful eye on our cost competitiveness so as not to derail our economic recovery.

The New Economy

4. While we have overcome the recession, we cannot afford to take it easy but must brace ourselves for the advent of the intensely competitive New Economy driven by the twin forces of rapid technological advancement and globalisation. These forces have a tremendous impact on how we conduct our business and also the way we live. Success will increasingly depend on our ability to reorganise and reinvent ourselves and on our ability to quickly apply knowledge to generate creative and innovative ideas to produce goods and services. We will need to go beyond merely value adding to value creation to remain competitive. Additionally there is also the urgent need to keep pace with increased sophistication in consumers' expectations and demands, as they become increasingly aware of the advantages that can be achieved by applying the latest technology. To keep abreast of new developments, it is essential for workers to train and upgrade their skills and knowledge on a continuous basis. Our workers must be ready for the paradigm shift from life-long employment to lifelong employability through life-long learning. They must be ready for the crucial mindset change to embrace lifelong learning to remain relevant and employable. Employers should in turn invest more in the training and retraining of their workers who are their most valuable asset in the New Economy. Unions should encourage workers to take training and retraining seriously as it would enable them to keep pace and be relevant to the demands of the New Economy. We must do all we can to motivate workers regardless of the level of their educational and age to upgrade their skills and education continuously and in so doing promote their employability

Transport Industry

5. The public transport industry plays a critical role in Singapore's economic growth. It is imperative for the industry to tap on new technological developments to become a world-class transport system which would help enhance our quality of life and promote Singapore's competitive edge.

6. Let me add the success of SMRT's Initial Public Offering (IPO) is testimony to its excellent track record and the market's confidence in its ability to position itself competitively. I congratulate SMRT Corp and Singapore MRT Ltd for this success. The effort has been made all the more significant by the fact that the IPO represents the first in the world by a metropolitan line operator.

New Challenges

7. It also opens a new chapter in SMRT's history and with it comes new challenges. In terms of business operations the floatation will call for greater public accountability. There will be the demand for continuous improvement in services and more responsiveness to the changing demands and expectations of users.

8. Convenience, reliability, ease of use, comfort, affordability and competitive travel times have become the standard of the day for the transportation industry. Increasingly, in line with the vision of a world-class transportation system, there will be greater public expectations for an efficient integrated public transport system. Better service standards would require multi-modal operators running rail, bus and taxi services to be better integrated and synchronized.

9. I note that in a move to attain an edge in service, SMRT Ltd had taken the step to secure a bus operator licence from the Government. Since 1 Jul 2000 it had started running a daily night bus operation after midnight to complement its MRT services.

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10. To enable the SMRT to run a sophisticated multi-modal public transport system efficiently and competitively, a pool of technically competent multi-tasked employees is essential. The Union can make an important contribution to help management raise the skills level and productivity of SMRT employees. It can help to encourage its members to take training seriously so that they can acquire the necessary skills on a continuous basis and excel in their jobs. By working closely together the union and management will enable SMRT to ride on technology advances to continue upgrading its capabilities and improve its services.

Labour-Management Relations

11. On labour-management relations, I am pleased to note that SMRTEU and the management enjoy good understanding and cordial relationship. The offer of IPO shares to SMRT employees will enable the staff to have a stake in the ownership of the company. In this way they would be able to share in the company's success. It will provide a sense of ownership which can help to promote excellence in the employees' contribution to the company.

12. Hence, the future of SMRT and its employees has become even more closely linked. This strong linkage will help greater teamwork to be fostered with it a more harmonious industrial relations climate in the company.

13. I am also happy to note that SMRTEU has decided to merge with the National Transport Workers Union (NTWU). This move is in line with the strategic shift of the company to become a multi-modal operator. I am confident that this development will promote the interest of the members and SMRT.

14. On this note let me wish all of you a Happy National Day and more success in the years ahead.

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