

SINGAPORE GOVERNMENT PRESS STATEMENT

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SPEECH BY THE MINISTER FOR FINANCE, DR. GOH KENG SWEE, ON THE OCCASION OF THE OPENING CEREMONY OF KHONG GUAN FLOUR MILLING LIMITED ON TUESDAY, MARCH 31ST, AT 5.00 P.M.

It is with much pleasure that I have accepted your kind invitation to officially declare open this factory of Khong Guan Flour Milling Ltd.

The example of Khong Guan Flour Milling Ltd. is typical of the pattern of industrial development in newly industrialising countries. Most countries, in their first phase of industrial development, begin with factories producing final consumer products. So is it with Singapore. In our food processing sector, there are about 12 biscuit factories and another 114 bakeries. Until recently, flour, the main raw material for these factories, had to be imported from wheat-growing countries such as Canada and Australia. With the establishment of a flour mill in Singapore in 1963 and Khong Guan Milling Ltd. now, these biscuit factories and bakeries will be able to procure locally milled flour, and at a lower price too.

Competition in the field of industry is a healthy thing. Some investors, venturing into pioneer industries, have in the past, approached us for monopoly rights to produce certain commodities. I believe that competition is necessary to sustain and raise efficiency. In the case of our flour mills, although a multi-million dollar mill was established in Singapore in 1963 and another is to be established in the Federation of Malaya shortly, there is still room for Khong Guan Flour Milling Ltd. All three will find markets in Malaysia as well as in our neighbouring countries. Our local flour mills will produce not only for home consumption but also for export. Flour is an international product with a world market and our millers can use Singapore's position to advantage as an export base.

Khong Guan Flour Milling Ltd., with a production capacity of 140 tons of flour per day, will be able to provide employment for about 30 workers initially. This number would be increased at a later stage. Our local mills are able to supply fresher flour to our biscuit factories and bakeries. This will help to improve the quality of their product for fresh flour make better biscuits and better bread.

May I conclude by wishing this enterprise every success and prosperity.

MARCH 31, 1964.

(Time issued: 1430 hours)