

PRESS RELEASE

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SPEECH BY DR. AUGUSTINE H.H. TAN (陳惠興)  
POLITICAL SECRETARY TO PRIME MINISTER'S OFFICE  
AT THE OPENING CEREMONY OF THE EXPORT PROMOTION  
SEMINAR ORGANIZED BY THE TRADE DIVISION, MINISTRY  
OF FINANCE, THE SINGAPORE MANUFACTURER'S ASSOCIA-  
TION AND OTHER ORGANISATIONS, AT SHANGRILA HOTEL  
ON MONDAY, 25TH SEPTEMBER 1972 AT 9.30 A.M.

#### WE EXPORT TO LIVE

In his message on the eve of National Day this year, our Prime Minister exhorted us to raise our sights in the years ahead - to aim at quality, not quantity. Although the past 13 years have been a period of great political and economic difficulties, the next 13 years represent, in at least one sense, a more difficult phase. For, quality is more difficult to achieve than quantity.

The future economic historian who studies our economic history over the last 13 years will most likely attribute our economic performance to 3 factors:

- (a) a readily available supply of cheap labour;
- (b) influx of relatively simple-technology industries;
- (c) our small economic base, so that it was easier to achieve high rates of growth.

Now that we are near full employment there is a domestic labour constraint. The degree of importation of labour would depend on our willingness and ability to do so. There is clearly a physical limit to our capacity to absorb migrant labour. More realistically, therefore, we have to look towards better utilisation of domestic labour and the transformation of unskilled labour into technicians.

In view of the labour constraint, the type of industries that can be competitive in Singapore would be more technologically sophisticated in nature, demanding not only skilled labour

but also engineers and managers.

In other words, the type of development that we need over the next decade would be more vertical than a horizontal spread. More intensive training, more scientific management and greater professionalism would be needed in the years ahead.

One of the effects of rapid development in the past decade has been the increased mobility of executive, professional and managerial personnel because of the pull of higher salaries elsewhere. Too much mobility is disruptive. It destroys continuity in the organisation and is not healthy for personal development. We need to build institutional structures, both public and private, which can provide sufficient promotional and career prospects and, thereby, inject some stability. Increasing specialisation is necessary in the years ahead if we are to develop rapidly. But, the room must be made available for specialists and professionals.

In the public sector we shall need to be less ad hoc - more organized. We live in a competitive world and, the richer we want to be as a nation, the keener the competition. On the occasions that I have observed the Japanese in discussions or negotiations, I found them to be exceedingly well-informed. That is, they had done their homework properly. That means, having the expertise and the latest information ready at hand. We in Singapore must learn to do likewise.

This export promotion seminar is an indication of the growing awareness among our manufacturers of the need for concerted efforts in pushing our exports abroad. The British had a slogan at one time "We export to live". Even more than the British, we need to export in order to survive and, with some exertion, we may live graciously.

You have a rich agenda ahead of you, and you will undoubtedly discuss the necessity for information, organisation, quality and finance to support our export drive. I do not want

to upstage your seminar especially when the organizers have been so kind as to give me a preview of the papers. Let me just note a couple of points.

First of all, the participants will most likely agree to recommend that Government intensifies its efforts to secure more preferences and better conditions of trade. Now, there have always been and there will always be trade restrictions in varying degrees. The Japanese were not daunted, nor were the Germans, the Hong Kong manufacturers or the Taiwanese. Trade barriers can be overcome by reducing costs and improving quality. Moreover, sometimes, due to lack of information, organisation or inability to adjust production, we may fail to take full advantage of available opportunities.

In our textile exports, for instance, we have not fully utilized the quotas made available to us by U.K., U.S., and Canada. Only in 1969, for Canada, was our quota fully filled. Quite clearly, more information on markets abroad plus a capacity for altering production lines would have enabled us to take better advantage of our quotas.

% UTILISATION OF TEXTILE QUOTAS

	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u> (to August)
U.K.	94.7	67.3	84.8	16.0
U.S.	93.8	90.8	93.6	57.1
Canada	100.0	83.5	83.0	61.0
Sweden	n.a.	n.a.	n.a.	36.7*

Courtesy of Trade Division, Ministry of Finance

n.a. = not applicable

\* for March - August 1972.

Finally, even as we gear ourselves to promote our exports more efficiently, we might also, in the process, try to secure the cheapest sources of raw materials, intermediate products and

machinery. Perhaps some bulk-buying and long-term arrangements can be made with supplying countries. The availability of cheap raw materials will help in keeping costs down, thereby enabling us to be more competitive.

I wish you success in your Seminar and Workshops and look forward to your conclusions.

Date: 24th September, 1972

Time Issued: 16.00 hours