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SPEECH BY DR. AUGUSTINE H.H. TAN, MP. FOR WHAMPOA,
POLITICAL SECRETARY TO PRIME MINISTER AND CHAIRMAN,
NATIONAL PRODUCTIVITY BOARD AT THE REGIONAL WORKSHOP
ON PRODUCTIVITY MEASUREMENT ORGANIZED BY THE NPB IN
COLLABORATION WITH THE ASIAN PRODUCTIVITY ORGANIZATION
AT THE POLYNESIAN ROOM, MING COURT HOTEL, ON MONDAY
25TH JUNE 1973 AT 9 A. M.

On behalf of the NPB may I extend a warm welcome to all the participants who have come from all over Asia. The NPB is pleased to help organize this Workshop On Productivity Measurement in collaboration with the Asian Productivity Organisation. I would like to thank the Friedrich-Ebert-Stiftung Foundation for its generous support towards this Workshop.

The topic of this Workshop is one, which I believe, is of crucial importance to developing countries, especially in the rapidly changing world context. New economic realities have emerged, along with the shifting balance of power between the super-powers. Aid flows are uncertain as advanced countries face their own problems of inflation, unemployment and balance of payments deficits. Moreover, there is growing disillusionment with the efficacy of foreign aid as an instrument of foreign policy. Among the reasons for this is ingratitude and wastage through inefficiency and corruption.

There is monetary instability in the Free World Economy and increasing polarization in economic alignments.

In many developing countries, inflation is imported via higher prices whilst export earnings suffer because of monetary re-alignments. Preferences in trade can help to alleviate export difficulties, but the real solution is for the developing countries to develop

their own internal reflexes. Greater productivity plus a capacity to alter production lines to meet changing demand are necessary.

Of course the overall framework must be conducive to development. There has to be a minimum degree of political stability, an honest and effective administration plus a pragmatic approach towards problems. A more positive attitude towards foreign investment is required if developing countries wish to upgrade their technology and to gear into international markets. A completely self-sufficient approach to development would result in slow and painful growth.

Internally, much can be done to reduce waste and thereby increase productivity. Virtually every developing country has put massive investments into manufacturing at the expense of other sectors. Perhaps more attention ought to be paid to agriculture and service sectors. For sometimes which are highly dependent on primary products cost reduction and quality improvement can help to offset the effects of declining prices. In the service sector a lot can also be done to increase efficiency. In particular, in the public sector, there must be greater cost consciousness. Bureaucratic growth rates need restraining in many countries.

I am sure you will develop into some of these issues in your discussions. I look forward to the conclusion of your deliberation. May I wish you all a pleasant and fruitful stay in Singapore?

Date: 24 June 1973