

Singapore Government

PRESS RELEASE

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SPEECH BY MR TAN SOO KHOON, SPEAKER OF PARLIAMENT,
AT THE KAMPONG CHAI CHEE NATIONAL DAY DINNER AT
CAR PARK IN FRONT OF KAMPONG CHAI CHEE COMMUNITY CENTRE ON
SUNDAY, 1 AUGUST 1999 AT 8.00 PM

On behalf of the Organising Committee and the grassroots and civic organisations in Kampong Chai Chee, I bid all of you a warm welcome to our 34th National Day celebrations.

2 It has been two years since the start of the regional economic crisis. Last year at this time there was uncertainty all round. The economies in the region were continuing on their southward course. There was retrenchment and salaries were being cut. We faced the prospects of a cut in the CPF contribution, and it did happen some months later.

3 One year down the road, the situation looks encouraging. Economic growth is now expected to be even better than the revised 0 - 2% forecast. The manufacturing sector and our export figures are showing signs of improvements mainly because of an upsurge in demand for electronic products and healthy markets in the US and Europe. Property prices are on the rebound and the stock market is faring better than a year ago. Retailers are reporting better sales. The "feel-good" factor is there and this inspires a certain level of confidence and optimism.

4 But are we out of the woods yet? There appears to be some light at the end of what not too long ago seemed to be a long dark tunnel but it is too early to celebrate. The recent sharp downturn in stock market prices which had been rising very fast since early this year is just one indication that there is still some way to go before we have a strong and firm recovery that is sustainable.

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Indeed some analysts believe that some Asian economies have still not adequately tackled the structural problems in their economies and are dragging their feet on financial reforms, corporate re-structuring and corporate governance. Some analysts even warn that these countries still risk further economic turmoil. This could become an impediment to our recovery.

5 In contrast to the situation elsewhere, Singapore has earned top marks in the way it handled the economic crisis. Our efforts to cut business and wage costs, attract investments and step up the training of our workers have been important measures in helping us ride out the storm. We could have not done so without the support of the people. If anything, the crisis has shown that the bond between the people and government has become stronger. In many countries any attempt by a government to reduce wages would have led to riots. In Singapore, people accepted the rationale behind the cuts in the CPF contributions and saw this as a necessary measure to restore our competitiveness. Instead of bickering over bread and butter issues our people focused on long-term challenges such as skills-upgrading. Despite the hard times we kept our cool and stayed afloat and are now poised to take advantage of the recovery that will come our way.

6 We are thus fortunate that while we deal with the immediate difficulties, we have also been able to focus our energies on the long-term. We focus ourselves on the globalisation of our economic activity. Our top companies look on the global economy as their hinterland. Companies like SIA, DBS and Creative Technologies aspire, and work towards being world-class players in their business. To achieve this they link up with other like-minded top-class players by tapping on each other's strengths to achieve synergy so that they can in turn compete against others in their respective fields world-wide. They also employ the best people in their respective professions, whether they be the CEO of the company, the financial controller, the engineer, the marketing people or the sales people. And they employ the best people, whether they are Singaporeans or they are foreigners. Today the CEO's of two of our top local banks and our national shipping line are foreigners. This is because these companies, or more precisely their boards of directors, recognise that at least for now Singapore with its limited talent pool cannot throw up that expertise that will allow their companies to reach out globally and compete successfully with other world-class players. They therefore need people with the expertise and connections to lead their companies, link them with other strategic players and spread their wings across borders.

7 Reaching out globally to get good people to come on board with us is in itself a competitive process. Good people are in demand everywhere and there are many places in the world that are just as, if not more attractive to work in, than Singapore. Many cities also offer high living standards, good homes, a safe living environment and excellent social infrastructure. With our small population, our limited resources, our dependence on international business, it will be foolish for us to lock out foreigners. When the region recovers, our neighbours will be very competitive. To stay ahead, we need the best brains, be they Singaporeans or foreigners, to give us that cutting edge in all fields.

8 At tonight's dinner we are also holding an exhibition on 'Singapore 21', the Government's vision on Singapore and its people in the 21st century. I hope you and your families and friends will spend some time to see the exhibition.

I wish all of you a happy National Day.

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National Archives of Singapore