

SPEECH BY MR JEK YEUN THONG, MINISTER
FOR CULTURE, AT THE OFFICIAL OPENING
OF THE SINGAPORE NATIONAL PRINTERS (PTE)
LIMITED ON SATURDAY 7 JUN 75 AT 5.00 PM

I am happy to be here today for the Official Opening of the Singapore National Printers (Private) Limited and to witness the successful implementation of its New Technology Project.

The printing industry in Singapore, as with other industries, has its share of problems. Equally, it has its prospects and opportunities. The problems are not insurmountable. The prospects and opportunities are attainable provided those in the industry do not remain short-sighted. They have to set their sights further and higher for, in the long term, those who prosper exceedingly will be those who seek their markets not only locally but overseas.

The printing industry in Singapore employs about 9,000 people. Its annual output is valued at about \$150 million. For the present, the world-wide recessionary trend has caused some printers to have excess capacity. The outlook for the future, however, is far from gloomy provided the problems facing the industry are tackled energetically and wisely.

From the annual output, it would appear that there are sufficient domestic orders for everyone in the industry. This is not so. There is a proliferation of the under-capitalised, family-owned printers competing for the small domestic market. Out of the more than 300 printing firms in Singapore, only about 10 can be considered large, in terms of capital investment, output and the number of staff employed, and twice this number are medium-sized. The end result is that small firms engage in the uneconomic practice of price under-cutting to the detriment of the industry. Added to this problem is the lack of technical, supervisory and managerial staff. This is being tackled by the School of Printing which conducts courses for skilled and supervisory staff needed by the industry.

Like many other industries in Singapore, the printing industry has to look for overseas orders for its long term interest and viability. Competition for overseas printing jobs is, however, very keen. The profit margins are not attractively high. Nevertheless, these overseas jobs help to maximise utilisation of printing machinery and reduce overheads. Moreover, it brings in foreign exchange.

Commonsense economics dictate that customers engage the services of their 'home' printers. It is when costs start to escalate that they turn to overseas printers. But they expect the same, if not higher, standard of

workmanship and quality. Japan, which used to receive considerable amount of export printing jobs, is losing its competitiveness because of high costs. The field is now enjoyed by Hongkong. In Singapore, the annual value of export orders is about \$15 million, one-third that of Hongkong. This is understandable as Singapore was a late starter in the export printing business. We can, however, make up for lost time.

Overseas customers expect, besides fair price and quality, prompt delivery and good communications. Other things being equal, these two factors would influence the customers' decision on where to place their orders. Singapore, cannot by any stretch of the imagination, be considered lacking in communications facilities. Reliability in meeting deadlines is something which we can, and must strive, to improve all the time. Our labour costs too, remain fairly competitive. We have no language barrier as English is commonly used.

Incursion into the international markets is possible if industries here modernise and provide quality and sophisticated work within the target deadline and at competitive price. In the last two years, printing firms which bought the necessary equipment and machinery and recruited skilled personnel can now enter the highly competitive regional market for printing and packaging jobs. There are only a few firms with this capacity. The smaller

and medium-sized firms may only buy such equipment if they pool their resources. The alternative is to compete for domestic orders. Competition will increase in intensity as more and more small firms get established thereby continuing the practice of price under-cutting to the detriment of all in the industry.

The Singapore National Printers has gone a long way since it began in 1867 as the Government Printing Office publishing the Gazette and other official documents. It became fully commercial in July 1973. It now services both Government and the private sector with their printing requirements besides executing overseas orders. The latter has only been possible with the streamlining of its operations, the replacement of obsolete machinery by new, high output, improved models and the training of staff. Singapore National Printers (Pte) Limited is now one of the largest and best equipped printing establishments in the region with a paid-up capital of over \$6 million. With new technology and trained staff, Singapore National Printers (Pte) Limited is able to cope with a wide range and the most complex jobs which sophisticated societies like Singapore and other developed countries demand.

In closing, I would like to suggest that the time is ripe for us to examine in depth the problems of the industry and to recommend ways on how to develop Singapore as a major printing centre in Asia. Representatives of the Singapore National Printers, the Master Printers Association, the Industrial Training Board, National Productivity Board and the Economic Development Board could come together and examine the various aspects of the industry to enable it to realise the prospects and the opportunities ahead.

It is my pleasure now to officially declare the Singapore National Printers (Private) Limited open.