



SINGAPORE GOVERNMENT PRESS STATEMENT

MC:JUL/38/75(PMO)

HAJI  
SPEECH BY TUAN/YA'ACOB BIN MOHAMED, MINISTER OF STATE  
FOR PRIME MINISTER'S OFFICE AT THE OPENING OF PRODUCTIVITY  
EXHIBITION AT KG UBI SPORTS CENTRE ON FRIDAY, 18 JULY 75  
AT 8.00 P.M.

The keen competition in export markets, the falling of purchasing power, the rising wage costs and the decline in industrial and business activities because of reduced demand and high costs - all these factors cause most economies in the world to suffer slower growth.

Our economy has had its share of these buffetings. But, with all the capabilities at the command of the Government, management, labour and our disciplined people we have managed to weather the storm and to attain a real-growth of 6.8 per cent in our GDP in 1974. This is some achievement considering the rather depressing economic situation the world was facing. Things are picking up now although difficulties still abound.

Industries in Singapore have to be export-oriented. The home market is too small to allow us to take advantage of economies of mass production. In other words, our economy depends to a large extent on us maintaining our export growth. Since we have relatively little control over prices of imported raw materials for use in manufacturing, and as we have no natural resources to fall back on, except human resources, Singapore must rely on increasing productivity to ensure that our resources are better utilised and that our products are competitive in export markets.

Increased productivity basically means lower cost per unit of production. In the face of present economic problems where market size is reduced, we should focus our attention on cutting down costs while improving product quality. This is the only way to make sure that our products will be sold in overseas markets.

There is a wrong impression that higher productivity benefits only the enterprise. We must understand that increased productivity enables our products to be more competitive and would also bring them within the reach of a larger group of consumers. The resulting rise in sales means that the enterprise will be able to expand and offer more employment opportunities.

However, price is only one determining factor which consumers take into consideration when deciding what to buy. Quality, reliability, prompt and better after sale services are other very important considerations. Achieving higher productivity means taking into account all these considerations.

Productivity is the collective responsibility of Government, labour and management. The Government will strive to provide political stability, a sound economy, better business incentives and infrastructure, and a disciplined, well trained and hard-working population.

Management must adopt a policy of training and re-training the workers to provide them with higher skills. They should involve the workers more in the everyday operation of the business. In other words, the employees' jobs should be made more enriching and challenging.

Productivity is our business. It is everybody's business. To neglect this issue would be to throw away the key to our prosperity and well-being.

---