

EMBARGOED UNTIL AFTER DELIVERY
PLEASE CHECK AGAINST DELIVERY

Speech by Dr Goh Keng Swee, Deputy Prime Minister and Minister of Defence at the opening of SIA's Engine Overhaul Base at the Singapore Airport on Friday, 15th August 1975 at 5.30 p.m.

When collecting material for this speech, I asked Mr Pillay whether there are any engine overhaul facilities in our part of the world, and if there are none, which is the nearest one, in Australia or Japan? I asked these questions because like most Singaporeans, I had come to regard SIA as a trail-blazing pioneer.

Imagine my surprise when the reply came that virtually every country in the region already has aircraft engine overhaul facilities. Among our ASEAN partners, there are facilities in Jakarta, Kuala Lumpur and Manila and outside ASEAN, every major Asian country - Pakistan, India, Japan, Taiwan, South Korea, Australia - has one or more of them. Thailand remains the solitary exception.

Far from being the first, we are in fact the last. Some Singaporeans might well conclude that there has been a serious lapse on somebody's part, but I think that that is the wrong attitude to take.

There is, of course, merit in pioneering and innovation, but let us not forget that there are also great risks and dangers, inescapable when one ventures into the unknown. In business and economic ventures, the risks can be reduced by planning and thorough preparation, but they cannot be eliminated. In the end, decisions are made on business forecasts and forecasts are different from certainties.

So SIA took the lead in converting its fleet into an all jet combination, and introduced the Jumbos at the first opportunity. These were bold decisions. And management backed its judgment with hundreds of millions of dollars. In the event, the policy paid off and the company has prospered. But if it had been otherwise, there would be plenty of people, with the benefit of hindsight, to point an accusing finger. Pioneers and innovators who make mistakes have no alibi and get no sympathy.

The world of business is a pitiless one, particularly so in Singapore. We have to compete with the rest of the world with virtually no assured domestic market of respectable size. If things go badly, there is no benevolent government to bail out the enterprise as bigger and wealthier governments often do.

So there is advantage in being the last. We would have learnt from other people's mistakes. We would have acquired more modern equipment and machinery than them. We could train management and workers in the latest technology. We would be able to make closer estimates of market prospects.

SIA correctly deferred a decision to establish an engine overhaul facility because management was then concentrating on the passenger business, gearing up their organisation to getting better aircraft, negotiating new routes, building up air crews and ground services, which taken together, add up a service which even other airlines talk about.

In conclusion, may I congratulate all those who have contributed to the successful launching of this project - SIA engineers, technicians and workers as well as overseas consultants and advisers. I wish the enterprise every success.