

SPEECH BY MR HON SUI SEN, MINISTER FOR FINANCE,  
AT THE SINGAPORE MANUFACTURERS' ASSOCIATION'S  
44TH ANNIVERSARY DINNER AND PRESENTATION OF SISIR  
CERTIFICATES AND LICENCES ON FRIDAY, 25 JUN 76  
AT 7.30 P.M. AT THE NEPTUNE THEATRE RESTAURANT

Since I last addressed you at the 1974 SMA Annual Dinner, we have had to face and weather some severe economic storms in the past two years. Many manufacturers have had to make adjustments and to tighten belts in holding on to diminishing sales and margins. Some may even have had to endure anxious moments from their bankers and creditors.

However, seen in retrospect, these difficult times had their better aspects. They certainly gave our manufacturers a tough but timely reminder of the realities of the Singapore situation. They brought home to us once again the fact that the international competitiveness of our export products and services depends upon attaining ever greater productivity and skills and upon keeping unit costs down in other ways. They also demonstrated the value of the time-tested virtues of resourcefulness, perseverance and hard work.

As the manufacturers' organisation in Singapore, the SMA has had the obligation to provide leadership during this testing period. Now that the worst of the economic storms are apparently behind us, the SMA can now perhaps return to the somewhat more routine tasks of representing and promoting the interests of Singapore manufacturers, both locally and internationally. There is much to be done.

In the context of ASEAN, the SMA can contribute to the development of closer cooperation and communication with other industrial organisations in the ASEAN countries. I therefore welcome your Association's keen interest in ASEAN matters and note the action which the SMA has taken, together with the four Chambers of Commerce, on industrial complementation and trade liberalisation. Perhaps the SMA would consider my earlier suggestion that an effective joint organisation could with benefit be established in a more formal Federation which can more authoritatively promote the interests of the Singapore private sector in regional and international matters. Private sector initiatives can often be speedier than the more unwieldy bureaucratic machinery of Governments.

Another possible task for the SMA is to do more to organise and assist those of your members constituting the smaller industries. The Deputy Prime Minister has spoken recently on the need of greater help for our small industries. By virtue of their size and nature, small industries are not able to command adequate resources, market outlets and production knowhow. The SMA can plan constructive programmes and schemes to instil modern management techniques, to foster quality and productivity consciousness and to help them increase their export promotion efforts. Their special problems and needs can be investigated by the SMA and brought to the notice of the appropriate Government bodies. I understand that the SMA is now taking steps in this direction.

In recognition of the special difficulties of small industries in securing loans at competitive rates from financial institutions, the Government, on its part, will be re-establishing a Small Industries Finance Scheme. Guidelines on the Scheme are currently being worked out by the EDB and the DES and the financial risks will be borne equally

by these two bodies. The Scheme will be administered by the DBS and will cater specifically to the investment financing needs of small manufacturers. This should contribute towards reducing the handicaps smaller industries face in competition with larger companies.

There is another Government activity of interest to the SMA. Singapore will continue to attract suitable foreign investment with its technology and skills as it will accelerate our industrialisation programme. This does not, however, mean that Government will forget local enterprise. More time and effort is now being given to supporting the growth and development of local industries. In a number of ways, the Economic Development Board has been encouraging such local industries to expand, diversify and modernise. Over the past year, EDB trouble-shooters have been calling on many local companies. For deserving companies, tax incentives have always been available. Of the 37 companies awarded tax incentives in 1975, 18 were wholly local or joint venture companies. The Government through the EDB also offers training grants for industries undertaking to train their workers. I am glad to say that these grants are increasingly being accepted. In building up their nucleus of trained skills, industries may also apply to take in trainee graduates from the various joint industry-government training centres. Finally, companies looking for compatible partners in their expansion and diversification efforts can also approach the EDB for assistance.

I hope the SMA will make better known these incentives and opportunities available for local industries and will strongly urge more companies to come forward to take advantage of them. In an ever more sophisticated manufacturing environment, the progressive upgrading of manufacturing activity is becoming a necessity. Companies that cannot keep up the pace of continuous development to meet the more

complex demands and standards of modern society may find themselves eventually phased out. I am confident, however, that through the SMA our entrepreneurs can come together to undertake innovations whether in product design and development or process improvement.

In such innovations, the Singapore Institute of Standards and Industrial Research or SISIR can also be of help. SISIR has lately embarked on some developmental ventures. The Institute can now, for example, assist local entrepreneurs set up pioneer supporting industries like investment casting, or ventures similar to the one it recently successfully developed and commercialised, namely, the gold-plated RISIS orchids, as a new souvenir of Singapore. Singapore has always prided itself on its possession of entrepreneurial qualities and it would be advantageous for us to further cultivate and develop this special Singapore characteristic.

Manufacturers can, of course, continue to look to SISIR for the normal range of other services it has developed to assist their operations. Over the last few years, SISIR has been developing electrical calibration, maintenance and repair capabilities to service the precision engineering industries. The Institute is currently embarking on a long-term programme to further develop its mechanical engineering metrology and machine design services to complement the services provided by local machine and engineering shops. And of course, many manufacturers have taken advantage of the SISIR Scheme for ensuring quality standards associated with the SISIR Mark which has been with us for some six years. This desire to attain a certified standard of quality acceptable to world markets is an indication of the maturity

of our manufacturers and their awareness that export marketing is a long-term process which is best based on a quality product. In sponsoring, year after year at its Annual Dinner, a little ceremony for conferring SISIR quality licences and certificates, the SMA members show with SISIR an obvious appreciation of the importance of quality standards. I would like to congratulate them and in particular those who are the recipients of SISIR Licences and Quality Certificates tonight on their success in reaching such quality standards.

Armed as you are with such standards in the battle for exports, may I wish one and all a prosperous year ahead.