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ADDRESS BY MR LIM KIM SAN, MINISTER FOR THE ENVIRONMENT AND
CHAIRMAN OF PORT OF SINGAPORE AUTHORITY, AT THE SEMINAR
ORGANISED BY THE SINGAPORE PORTWORKERS' UNION ON "WORKERS'
RESPONSE TO CONTAINERISATION" AT PROSPERITY ROOM, MERLIN HOTEL
ON MONDAY, 24 MARCH 1980 AT 11.30 AM.

Containerisation requires a high degree of technology, as well as better trained and more skilled workers. This new mode of cargo handling has increasingly been introduced into Singapore during the last decade.

The switch from the conventional mode of cargo handling to containerisation is necessary if Singapore is to continue to maintain its position as the third busiest port in the world. Rising labour costs in the 1960s caused industrialised countries to switch to container ships. Situated at the cross-roads of international shipping, Singapore had no choice but to follow suit and adapt to the modern technology, otherwise it would have been by-passed by the new vessels.

Containerisation, however, is not without its problems. There are teething problems as well as recurrent problems. One teething problem is the initial attitude of the portworkers who are often apprehensive of the new technology, probably out of fear that the new capital intensive system would lead to their redundancy and retrenchment. In Singapore, I am glad to say that no worker was declared redundant as a result of containerisation. Instead, PSA took steps to train the workers to fit the demands of the new job and has embarked on an intensive and systematic training programme with the help of United Nations experts. Our portworkers on their part have also recognised the need for change and have responded positively and enthusiastically. Recognition must also be given to the Singapore Portworkers' Union which played an important role in giving its full support.

The combined efforts of management, workers and Union, have borne fruit for in 1979, containerised general cargo handled by PSA has grown to 40 per cent of total general cargo. In 1972, containerised cargo was only a mere four per cent of the total tonnage. It is predicted that container traffic will increase over the next few years to constitute some 65 per cent to 70 per cent of total tonnage by the end of the 1980s. Containerisation is here to stay and all developing countries must ultimately provide the infra-structure and human expertise to service container ships calling at their ports.

Containerisation means higher productivity. At the container terminal, a portworker with a quay crane can move 330 tonnes of containerised cargo per hour whereas under the conventional method, one man can only move an average of 1.8 tonnes an hour. This higher productivity of course also means higher wages for the workers.

Another problem Singapore faces will be the shortage of skilled labour necessary to meet with the expansion of container traffic over the next few years. It is estimated that another 2,200 skilled workers will be required by the end of the decade, an increase of 83 per cent. With increasingly scarce manpower and high labour turnover, it will be difficult for PSA to provide for this staffing requirement.

Industrialised countries have already introduced computer-controlled semi-automated container handling equipment to reduce labour content and improve productivity. To maintain Singapore's position as a premier port, PSA must continuously keep abreast of these developments and evaluate the feasibility of upgrading our own container operations through computerisation. Computerisation, with its even higher productivity, will provide the answer for meeting the manpower and labour requirements to cope with the increased cargo traffic in the next decade.

Container technology requires expensive capital investment. Mishandling or ignorance will result in damages to very expensive equipment. The workers therefore need to be taught to handle the new equipment. While some new workers will necessarily have to be recruited, the present group of portworkers will be given

opportunities to /3.

opportunities to undergo re-training to acquire the necessary skills. Our workers have shown that they are capable of responding to change during the first phase of containerisation. I have no doubt that they will be able to meet the requirements of the next phase.

In conclusion, I would like to congratulate the Singapore Portworkers' Union for its initiative in organising this seminar and look forward to a free exchange of views among the participants. The enthusiasm shown by participants from the various countries in attending this seminar is encouraging. I am confident that with collective discussion and a determination to resolve the problems of containerisation, many difficulties can be sorted out.

I now declare open this seminar on "Workers' Response Towards Containerisation".

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