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SPEECH BY DR WAN SOON BEE, MINISTER OF STATE
(PRIME MINISTER'S OFFICE), AT THE NATIONAL DAY OBSERVANCE
CEREMONY AT THE SGS-SEMICONDUCTOR PTE LTD., TOA PAYOH
ON TUESDAY, 13 AUGUST 1985 AT 9.00 AM

I am very happy to be with all of you today on an auspicious occasion like this, when workers, management and government leaders assemble together to mark our Republic's National Day.

I am especially happy to be with you as your company is a good example of a "Hi-tech" organisation that not only brings large investments but also the transfer of technology that Singaporeans should increasingly be associated with.

The "super-precision" operations that you are involved in with the use of sophisticated technology in the manufacture and assembly of chips and integrated circuits represents the skills-intensive industry that Singapore must get accustomed to for its economic progress.

Singapore has been fortunate to have had many years of good economic growth, an impressive track record achieved even when the rest of the world had been reeling under the effects of an economic slowdown.

But however industrious and resilient we are we must remember our vulnerability to external factors and must constantly readjust ourselves to meet economic adversity.

The present economic downturn has taken its toll on Singapore industries and our people are beginning to suffer from it. You will all know that many of our fellow workers in other companies have lost their jobs or are facing layoffs and retrenchments.

Several external factors have contributed to our present economic ills.

We have also realised that our operating costs have escalated over the last few years but our productivity has not kept up with these increases.

This has resulted in an erosion of our competitiveness internationally, especially vis-a-vis newly industrialising countries (NICs).

We must contain our operating costs if we are to maintain our competitive edge.

Lately there has been calls for wage restraints. The labour movement has displayed its responsibility and understanding of the grim economic facts when most of our unions had on their own decided to forego NWC pay increases this year to help their companies bring their operating costs down and tide over the economic downturn.

Wages is an important cost factor. It is also the most visible one and the first one to be looked into when a company has become uncompetitive.

But the wages per se is not a determining factor in solving our economic problems. The crucial factor is productivity.

And productivity depends on the type of industries we are in, the level of technology, management efficiency and effectiveness, the skills and attitude of the workers.

We can afford better wages if our companies are better run and our workers are highly skilled.

For workers as well as management, productivity has a direct bearing on their job security, for only with increased productivity and better managed companies can our goods and services be made more competitive internationally.

Productivity should therefore be of major concern to every one in an organisation, from the chief executive to senior and middle managers to the worker at the shopfloor, the productivity will must be translated into action.

Here I would add that management must take the lead and set the example for workers to follow. Management practices and work methods are predominant factors in building a productive work environment.

A keen sense of productivity must become part of our everyday lives and a company that can achieve this productivity will, would remain viable even under the most trying economic conditions.

There are various ways in which we can translate productivity into action by working smarter. We have to adopt new habits that stress on teamwork, quality and excellence.

Management must upgrade and mechanise as much of its operations as possible and manage the workforce efficiently.

It is important that managers and supervisors are effective in carrying out their duties and manage workers efficiently for only then can our workforce respond and be motivated to excel.

A keen sense of quality consciousness must prevail in anything that we do. We must make all efforts to upgrade our skills and improve our knowledge so that we can always find a more efficient way to do our jobs and perform our tasks. We should never spare any effort in continuously finding a better way of doing things.

During these bad times we must take the opportunity to consolidate our strengths and identify our weaknesses. We should discard all wasteful and inefficient ways that may have crept into our systems during our good economic times and readjust to our new circumstances.

If our productivity can match our increases in wages and other operating costs, if we can maintain our political stability and industrial peace, Singapore, together with its excellent infrastructure facilities, can remain an attractive place for investment and Singaporeans can continue to expect high wages and a high standard of living similar to that of the developed western countries and Japan.

In the final analysis, it is only those who can take stock of the situation, however bleak it may be, and readjust to meet adversity in its face who will survive and weather the storm.

This is the time for us to even work harder, work together as one team and rally behind the Government as we together try to survive the storm.

Singaporeans have displayed their resilience before and I am confident will do so again and survive our difficulties.

I urge you as we celebrate this National Day as a society more fortunate than many others even in such times of adversity, to keep our flag flying and our ship of state afloat with your hardwork, co-operation and understanding.

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