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SPEECH BY DR WAN SOON BEE, MINISTER OF STATE  
(PRIME MINISTER'S OFFICE), AT THE WEST COAST CONSTITUENCY'S  
20TH NATIONAL DAY CELEBRATIONS AT CLEMENTI WEST STREET 2  
(HAWKERS CENTRE) ON WEDNESDAY, 21 AUGUST 1985 AT 7.50 PM

This is a bad year for us. We are experiencing one of our worst economic slowdown. And if the US economy does not pick up, we may end up the year with negative economic growth.

Business is slow and profits are down. And as many companies become less profitable more and more workers are being retrenched.

Both internal and external factors have contributed to our present difficulties.

The most threatening of these are protectionism and international competitiveness. Protectionism is increasingly a serious factor that affect our businesses. One way of minimising the effect of protectionism is for us to engage in business activities where we have a comparative advantage over our competitors.

There is no doubt that the competition overseas will be much keener. We should rethink and assess how we can face our future challenges. It is now, when times are bad that we realise our shortcomings and inadequacies. We should quickly tackle and overcome them.

Although we have been alerted to our economic difficulties, there is no need for Singaporeans to despair.

We are still doing well. Our economy is basically sound and we have all the prerequisites to compete successfully in the international market. We only have to make certain changes and adjustments as we move from a developing country to a more industrialised nation.

Many Singaporeans have blamed the present difficulties on high wage costs. This is only partly true. The Japanese workers are paid more than twice our wages and yet Japanese products are very competitive. This is because the productivity of the Japanese worker is very high.

Wage costs are high when our business enterprises are inefficiently and ineffectively run. If we are too dependent on labour intensive industries and do not go for value-added products our wage costs will be high and uneconomical.

The Government has formed an economic committee to look into our present problems. Some measures have been introduced to help the enterprises and improve the situation. But in the final analysis it is the people as a whole who can ensure the success of our enterprises.

Over the last 20 years we have been through several crises. Separation from Malaysia, the British military pullout and the oil crisis being the more serious one. But each time, Singaporeans rallied behind the government and together tackled the crises. Singaporeans are a resourceful and a determined people. I am confident we will once again show our resilience and overcome our present economic crisis and emerge as an even stronger and united nation enjoying peace and prosperity.

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