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**SPEECH BY MR MAH BOW TAN,
MINISTER FOR COMMUNICATIONS,
FOR THE NATIONAL DAY OBSERVANCE CEREMONY 1997
AT CYCLE & CARRIAGE INDUSTRIES (1986) PTE LTD
ON FRIDAY, 8 AUGUST 1997 AT 8.45 AM**

Introduction

I am very pleased to be able to join all of you this morning at Cycle & Carriage's National Day Observance Ceremony.

We have much cause for celebration for Singapore. We have enjoyed another peaceful and prosperous year. In the area of land transport, we have made significant progress. Construction on the North East Mass Rapid Transit (MRT) line will begin in November while work on the Bukit Panjang Light Rail Transit (LRT) system is proceeding smoothly.

Our road network is similarly being expanded to handle higher traffic volume. Just last week, the Esplanade Bridge was open to traffic. Other road improvement programmes were also announced. New express bus services have been introduced to provide more convenient and faster service to commuters. Taxi companies have improved their operations with new services, including premiere service using Mercedes taxis.

These improvements in our transport system reflect our rising standard of living. Similarly, Singaporeans' expectations and demands of our transport system have grown. They expect more frequent and more comfortable bus and MRT services, smooth traffic on the roads and most hope to be able to own a car eventually.

This is understandable as transport is part and parcel of our life. Everyday we either take a bus or the MRT, hail a cab, drive a car or ride a bike to get to our destinations. If we are stuck in traffic jams, we will be upset. After all, time is money. If traffic congestion becomes so bad, as in some other cities, business may be affected. Sales cannot be closed because meetings cannot take place. Goods cannot get to where they are needed on time, affecting production and again, our pockets.

This is why the Government has taken tough measures to make sure we do not suffer the same fate as many other cities around the world. I believe that most Singaporeans understand the need for some form of control on car ownership and usage. Otherwise, we will be trapped in gridlock traffic, unable to move. Our roads will just become one giant carpark.

The Vehicle Quota System (VQS) was introduced to allow our vehicle population to grow at a steady rate of three per cent per annum. At the same time, we also introduced measures such as Area Licensing Scheme (ALS), Road Pricing Scheme (RPS) and soon Electronic Road Pricing (ERP) to discourage motorists from using their vehicles excessively. Together, these demand management measures will allow our roads to sustain a larger vehicle population without worsening traffic congestion.

Some people have questioned why we should release more Certificates of Entitlement (COEs) when we want to control traffic congestion. It seems to be a contradiction. Let me clarify that controlling vehicular growth does not mean zero vehicular growth. Cars will always be a part of Singapore life. We have to expect that more people would want to own a car, or need to travel more with continued economic growth and rising affluence. Our land transport policy is designed to support this rising demand for transport and mobility.

Expansion of our road networks, improvements in public transport and demand measures are all part of our total approach to achieve this. Together, they have allowed our vehicle population to grow by 45 per cent over the last 10 years while maintaining smooth traffic flow on our roads. Similarly, if our various measures to curb traffic congestion, including ERP are effective, we can release more COEs to allow more Singaporeans to own cars. With introduction of RPS, we released additional 5,500 COEs this year. When we introduce ERP, we can release more. Total number of COEs next year will be higher than this year. In the long run, our car population can grow from 350,000 today to 540,000 by the year 2010. This means there will be 50 cars per 100 households compared to 44 cars per 100 households today.

However, motorists must change their driving patterns and reduce their vehicle usage. As a comparison, the Singapore motorist drives nearly 20,000 km per year compared to 14,000 km in France and 10,000 km in Japan. In major cities like London, Paris or Tokyo, it is quite common to see business executives leaving their cars at home to ride in public trains and buses.

Singaporeans should do likewise and use their cars during off-peak hours, for leisure or other purposes. In this way, they not only save on transport costs, but also avoid the hassle of traffic jams and looking and paying for parking lots. If more people use public transport instead of driving, we will have more scope to allow our vehicle population to grow. This way, we would have a place and use for both private and public transport. They can co-exist in harmony.

Therefore, while it may also appear at first glance to be rather ironic, I believe it is in the interest of the transport industry including companies like Cycle & Carriage to support the various measures to tackle traffic congestion. Traffic congestion discourages people from driving or buying cars. It hurts our pockets, affects our productivity and eventually our economy. When the economy is affected, people cannot afford to buy cars. In Thailand, car sales have dropped by over 20 per cent, because of their economic difficulties.

In Singapore, COE prices have gone up. This indicates that our economy continues to grow steadily. This is possible because of our workers' positive attitude, hard work and strong leadership in business, trade unions and the Government. However, despite our economic achievements, we cannot rest on our laurels. Singapore faces tough international competition from the region.

For Singapore to stay ahead, we must continuously restructure our services and operations to remain relevant, efficient and competitive. Companies must be able to anticipate and adapt quickly to changes in the business market. Workers must be prepared to upgrade their skills and knowledge.

Cycle & Carriage is a good example of how a local company which started almost 100 years ago has grown with the nation. Today, it is one of the well-established car dealers in Singapore and a regional organisation with 90 subsidiaries and associates in the region. We are proud of Cycle & Carriage's success.

I am pleased to note that the industrial relations climate in Cycle & Carriage is cordial and harmonious. With over 850 employees in the company, such close labour management co-operation is crucial. It enables the company to focus its attention on improving the company's business rather than fighting industrial fires. With better business performance, the employees can enjoy better benefits and greater job security.

In the same way that Singapore is facing competition from countries near and far, Cycle & Carriage will continue to face more intense competition in the years ahead, both at home and abroad. Competition will come from traditional rivals, parallel importers and new entrants in the market.

To prepare for the challenges ahead, the company must continue to explore new ways of management and exploit the latest advancement in the market to its benefit. More importantly, it must keep on training and re-training its workers to embrace new technology and innovation so that they too can prepare themselves for the future.

In this respect, I am heartened to note that Cycle & Carriage has obtained the "Approved Training Centre" status for both NTC-1 and NTC-2 in Automotive Technology, and is re-training its staff to upgrade their technical skills. I call upon all union members and workers to make use of this opportunity to upgrade your skills and get ready for the challenges ahead.

As we celebrate our National Day, I also urge the management, union leaders and staff of Cycle & Carriage to continue to work closely with one another to provide efficient and reliable services to the customers. This co-operative atmosphere will ensure Cycle & Carriage's continued success in the years to come. With your support, I believe that together, we can achieve our goal of a world class transport system for Singapore.

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