

SINGAPORE GOVERNMENT PRESS STATEMENT

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Speech by Mr. Tang See Chim, Minister of State for Finance, at the Opening of the Japan Industry Floating Fair on 21.12.70.

If we look around us in Singapore today, we see that "Made-in-Japan" products are everywhere. It is not necessary for me to go into an analysis of how or why the Japanese products are so successful. Nonetheless, I might just point out that much could be attributed to their promotional efforts.

2. The export promotion efforts of the Japanese have included a huge expenditure on advertisement, the granting of special credit arrangements to buyers, the special loan arrangements to foreign governments, the organisation of trade missions, Japanese-sponsored product-familiarisation trips for local people to Japan and, above all, the organisation of trade fairs, both at home and abroad, such as this floating fair.

3. This third visit of the Japan floating fair to Singapore is symbolic of the tremendous efforts which the Japanese industrialists and manufacturers have made to publicise and promote the export of their wide range of manufactured goods. It must be realised that the result of any promotional work is often not immediately forthcoming. For example, it has taken the Japanese manufacturers and exporters over a decade to establish their products in Singapore. Today, the Japanese motorcycles, such as the Yamaha, Honda and Suzuki, have practically wiped out foreign competitors, while their Seiko watches have made a rapid inroad into Singapore against the well-established Swiss brands.

4. There is one important lesson which we can learn from Japan at this stage of our industrial development. In the very competitive market of the world today, it is not

sufficient that we are able to produce something to sell. The products must be competitive in terms of price, quality, design and utility. And, above all, they must be vigorously promoted. The promotional aspect has tended to be neglected because promotional expenditure has often been regarded as a separate, burdensome item, the financial returns of which are doubtful. There is an obvious need for us to reorientate our thinking. If we want to sell our products overseas, we have to promote them by participating in overseas trade fairs and utilise other media of promotion, including the establishment of direct contacts with buyers.

5. It will take some time and much concerted effort at export promotion before any significant result can be obtained. Recognising this need to co-ordinate the promotional efforts of exporters and manufacturers, the Government has established an Export Promotion Advisory Committee in the Trade Division to examine and study selected overseas fairs and other means of export promotion. A number of overseas fairs have been studied and the Government has accepted the offer by JETRO (the Japanese External Trade Organisation) to open a one-week exhibition of Singapore products in Tokyo in April next year. In conjunction with this, a 30-man trade mission will also be sent to Japan by the Singapore Manufacturers' Association to establish direct contacts with Japanese buyers.

6. A great deal of our export promotion effort has to be directed towards Japan in order to correct the trade imbalance between the two countries. Japan has been Singapore's second largest trading partner since 1967, and the two-way trade in 1969 stood at \$1,400 million. This represents 12.3% of Singapore's total trade. However, this trade has been strongly in Japan's favour. While Singapore imported a wide range of manufactured goods worth over

\$1,000 million from Japan, she has managed to export to Japan only about \$340 million worth of goods which are concentrated within a very narrow range and consisted mainly of raw, semi-processed or processed products. In short, the export of Singapore-made goods, as opposed to raw and semi-processed products, to Japan has been insignificant.

7. Although much of this imbalance can be corrected through our own export promotion efforts, its success will have to depend on Japan's willingness to open her doors to the manufactured goods from countries like Singapore. Japan's announced intention to liberalise the import of goods from developing countries is, therefore, to be welcomed, though we shall have to wait to see how significant such a liberalisation programme will in fact turn out to be, once it is implemented.

8. We are a long way from achieving what Japan has achieved by way of export promotion, and the visit of the SAKURA MARU is perhaps a timely reminder to us. It is for this reason and for reasons of friendship, greater economic co-operation and higher two-way trade between our two countries that we welcome the Sakura Maru to our shores.

9. It is with great pleasure, therefore, that I now declare this floating fair open.