

PRESS RELEASE

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SPEECH BY MR CHAN CHEE SENG, SENIOR PARLIAMENTARY SECRETARY (TRADE AND INDUSTRY), AT THE 10TH ANNIVERSARY DINNER OF THE SINGAPORE NATIONAL SHIPPERS' COUNCIL AT THE ISLAND BALLROOM, SHANGRI-LA HOTEL ON 24 SEPTEMBER 1982 AT 7.30 PM

It became evident from the late sixties, as Singapore developed its industrialisation programme, that our domestic market was too small and we had to aim at the overseas markets. Our first task was to gain access to these markets and thereafter to maintain them. One of our major hurdles then was not only competing against the more superior quality products of our more advanced competitors; there was the factor of transportation costs to consider too. It was recognised that freight charges could easily thwart our fledgling export attempts and we could not afford to let it happen. Hence the role for a united shippers body was conceived, and the Singapore National Shippers' Council (SNSC) was founded.

The first task for the SNSC was to negotiate with the shipping conferences on the major routes. Singapore as a free market economy welcomes the shipping lines of all flags to call and transport our goods. Nevertheless, there was increasing concern among the community of shippers that freight rate increases particularly on routes dominated by conferences should be moderated. Even in its early years many shippers especially those from the commodities trade began to stand behind the Shippers' Council. With increasing effectiveness over the years, the Council has been negotiating with conferences for fair and reasonable freight rates while promoting the use of reliable non-conference services.

A decade of service in sea freight matters has been rendered by the Council. It will continue to be useful as long as Singapore continues to trade. However, the Council should add a new dimension to its expertise

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thus built up. Although less than 15 per cent of Singapore's trade is airborne, there has been a steady increase in the use of air transport for our exports in recent years. In May there was an air cargo growth of 9.3 per cent over the corresponding period of 1981. For June, it was a 24.4 per cent increase. I believe this upward trend will continue especially with the adequate provision of cargo terminals at our Changi airport. Although air transportation will not assume the preponderance of sea transport, I believe it will nevertheless be an increasingly preferred mode. As our exports contain more higher value added and more sophisticated technological content, it will become attractive and feasible to export by air. Considerable savings will be reaped in terms of time saved.

The SNSC by broadening its present outlook and scope to air freight matters, will undoubtedly enhance its representation and membership. While the Council had catered largely to the needs of commodity shippers in the past, for such was the pattern of our trade then, it should not hesitate to adapt to the change in our trade or export content. Indeed it is important to the Council that adjustments be made so that the Council will continue to be relevant to the needs of shippers today, both in commodities as well as the trade in manufactures.

By taking on a larger role the Council can expand its interests to include all aspects of freight handling and provide additional services to shipper members. Affiliations should be considered for other agencies dealing with shipping processes such as freight forwarders.

A necessary service to members and shippers at large which should be undertaken by the Council, would be to keep them informed of the latest developments. It could be in transportation, trade documentation or procedures. This could be through talks, courses or other means. Keeping shippers abreast of changes and developments would go a long way to minimising outdated thinking, delays and dislocations.

Tonight's function celebrates the 10th anniversary of the SNSC. May I congratulate you on your successes thus far and urge you to continue to keep up with the good work with commitment and diligence to your tasks ahead. I wish you a pleasant evening of celebrations.